

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

PHA Plans

5 Year Plan for Fiscal Years 2005 - 2009

Annual Plan for Fiscal Year 2008

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

**PHA Plan
Agency Identification**

PHA Name: Winnebago County Housing Authority **HA Number:** IL083

PHA Fiscal Year Beginning: 04/2008

PHA Programs Administered:

☒ **Public Housing and Section 8** ☐ **Section 8 Only** ☐ **Public Housing Only**
Number of public housing units: Number of S8 units: Number of public housing units:
Number of S8 units:

☐ **PHA Consortia:** (check box if submitting a joint PHA Plan and complete table)

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)

- ☒ Main administrative office of the PHA
☐ PHA development management offices
☐ PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- ☒ Main administrative office of the PHA
☐ PHA development management offices
☐ PHA local offices
☐ Main administrative office of the local government
☐ Main administrative office of the County government
☐ Main administrative office of the State government
☐ Public library
☐ PHA website
☐ Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- ☒ Main business office of the PHA
- ☐ PHA development management offices
- ☐ Other (list below)

5-YEAR PLAN
PHA FISCAL YEARS 2005 - 2009
[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

- ☒ The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.
- ☐ The PHA's mission is:

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- ☒ PHA Goal: Expand the supply of assisted housing
Objectives:
- ☒ Apply for additional rental vouchers:
 - ☒ Reduce public housing vacancies:
 - ☒ Leverage private or other public funds to create additional housing opportunities:
 - ☒ Acquire or build units or developments
 - ☒ Other (list below)

HOPE VI Program, Phase V and VI.

Further application for funding through such programs as Low Income Housing Tax Credits, Shelter Plus, Section 811 and other programs as they become available, etc. Partnership with the City through such programs as the Mayor's Task Force on Homelessness to leverage and expand resources with other stakeholders. Partnership with the County of Winnebago to identify and bring housing services to unserved and underserved areas of the county.

Conversion of Tenant-Based Section 8 vouchers to Project-Based vouchers to leverage mixed finance housing programs.

Acquisition and management of affordable housing through Winnebago Homes Association.

Assist other housing authorities in the recovery of their programs.

Management of other housing authorities.

Administration of the State of Illinois Rental Housing Support Program.

Family Self-Sufficiency Program.

Disaster Housing Assistance Program.

Absorbed the Housing Authority of the City of Freeport voucher program.

Market the housing authority programs and services



PHA Goal: Improve the quality of assisted housing

Objectives:



Improve public housing management: (PHAS score) 87



Improve voucher management: (SEMAP score) 96



Increase customer satisfaction:



Concentrate on efforts to improve specific management functions:
(list; e.g., public housing finance; voucher unit inspections)



Renovate or modernize public housing units:



Demolish or dispose of obsolete public housing:



Provide replacement public housing:



Provide replacement vouchers:



Other: (list below)

Disposition of Champion Park land

Disposition of undesirable Winnebago Homes Association land.

Partnership with the Rockford Housing Authority's Rockford Housing Development Corporation to address the problems of Concord Commons.

Partner with other agencies, such as the Rockford Housing Authority, for administration of programs such as Family Self-Sufficiency.

Program Quality Control Standards in place.

Renovate and modernize Collier Gardens through a mixed finance program.

☒ PHA Goal: Increase assisted housing choices

Objectives:

- ☒ Provide voucher mobility counseling:
- ☒ Conduct outreach efforts to potential voucher landlords
- ☐ Increase voucher payment standards
- ☒ Implement voucher homeownership program:
- ☒ Implement public housing or other homeownership programs:
- ☒ Implement public housing site-based waiting lists:
- ☒ Convert public housing to vouchers:
- ☒ Other: (list below)

HOPE VI Program, Phase V and VI.

Further application for funding through such programs as Low Income Housing Tax Credits, Shelter Plus, Section 811 and other programs as they become available, etc. Partnership with the City through such programs as the Mayor's Task Force on Homelessness to leverage and expand resources with other stakeholders. Partnership with the County of Winnebago to identify and bring housing services to unserved or underserved areas of the county.

Conversion of Tenant-Based Section 8 vouchers to Project-Based vouchers to leverage mixed finance housing programs.

Acquisition and management of affordable housing through Winnebago Homes Association.

Assist other housing authorities in the recovery of their programs.

Management of other housing authorities.

Administration of the State of Illinois Rental Housing Support Program.

Family Self-Sufficiency Program.

Disaster Housing Assistance Program.

Absorbed the Housing Authority of the City of Freeport voucher program.

Market the housing authority programs and services.

HUD Strategic Goal: Improve community quality of life and economic vitality

- ☒ PHA Goal: Provide an improved living environment
- Objectives:
- ☒ Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
 - ☒ Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
 - ☒ Implement public housing security improvements:
 - ☐ Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
 - ☒ Other: (list below)

HOPE VI Program, Phase V and VI.

Partnership with the Rockford Housing Authority's Rockford Housing Development Corporation to assist with the Concord Commons development.

Partnership with the Rockford Park District to develop and enhance Community and Support Service Programs.

Enhance development of assisted housing through such identification and cooperation of community stakeholders, in leverage of co-development income from the HOPE VI program.

Establish the Neighborhood Networks program at the Washington Park Community Center and the Collier Gardens apartments.

Seek further tax credit awards for the development of assisted housing through such identification and cooperation of community stakeholders to assist with the need, location, population served, and self-sufficiency services.

Establish mixed finance programs to revitalize affordable housing.

Continue with identifying and leveraging resources to bring infrastructure development to the community (e.g. The HOPE VI Community and Development Assistance Program grant).

Eleven homes of the HOPE VI program to be specifically set aside for families with disabilities.

Upgrade security systems in existing housing developments.

Become a member and partner with the Rockford Area Economic Development Council.

Work with Neighborhood Watch programs.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

☒ PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

- ☒ Increase the number and percentage of employed persons in assisted families:
- ☒ Provide or attract supportive services to improve assistance recipients' employability:
- ☒ Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- ☒ Other: (list below)

Neighborhood Networks program for Washington Park Community Center and Collier Gardens.

Family Self-Sufficiency Program.

Partnership with the Rockford Park District to promote and enhance the Community Support Services Program.

Partnership with programs and agencies in bringing housing and services to underserved or unserved areas of the community.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

☒ PHA Goal: Ensure equal opportunity and affirmatively further fair housing

Objectives:

- ☒ Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:
- ☒ Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:

- ☒ Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
- ☒ Other: (list below)

Partnership with the Regional Area Mobilization Program to identify and assist unserved population.

Work in cooperation with the County of Winnebago to identify and partner in bringing affordable housing to underserved populations throughout the county.

Other PHA Goals and Objectives: (list below)

Continue and enhance partnerships with private and non-profit institutions to leverage resources for the maximum benefit of community housing and services.

Assume management of Low Income Housing Tax Credit program through the housing authority and Winnebago Homes Association.

Identification and acquisition of alternative income sources and increased community stakeholder partnership to increase privatization to meet possible continued subsidy reduction and increased marketability of competitively enhanced housing and service programs.

Annual PHA Plan
PHA Fiscal Year 2008
[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.



Standard Plan



Troubled Agency Plan

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

In 2002 the housing authority was awarded a HOPE VI Revitalization Grant to replace the remaining 61 Champion Park units with over 100 off-site units in the same Washington Park neighborhood. These homes are currently in under WCHA management, a mixed-finance program of ACC 906 homeownership, Low Income Housing Tax Credit (LIHTC) market rate units, Section 8 (y) voucher homeownership, Section 8 Project-Based, and ACC public housing units blended with the neighborhood. All homes are single detached, with 52 homeownership, 41 replacement public housing units, and 11 Project-Based Section 8 conversion units. Infrastructure has been introduced into the revitalized area for the increased benefit of existing residents. The program includes a Community Support and Services program predicated on homeownership opportunities which the housing authority plans to broaden to the general Section 8 program, and a conversion of a percentage of the general tenant-based Section 8 vouchers to Project-based Section 8 vouchers to support the LIHTC market rate units. A CSS has will be established in partnership with the Rockford Park District within the Washington Park Community Center through a 99 year lease to provide neighborhood accessibility and cohesion, and other owned but undeveloped land acquired by the housing authority will be used for the neighborhood aesthetic or to attract commercial and retail opportunities. The impact of the HOPE VI program and it's related components allow the housing authority a valuable and unique opportunity to increase and enhance our services to the residents and community that we serve, and is therefore reflected throughout this plan.

The HOPE VI LIHTC housing is managed by the housing authority after training and the guaranteed closing, which will bring further resources combined with co-developer income to increase assisted housing.

Further Project-Based Section 8 conversion will be explored beyond the 11 HOPE VI units and within the 20% program allowance to bring greater housing opportunities and

resources to the community while also reducing housing authority expense, which may then be directed to further other housing authority programs.

Further partnership with non-profits and government for grant awards will be explored (e.g. the Community Development Assistance Program at the HOPE VI program site) to enhance resources and services for both the housing authority and the community stakeholders for the shared population served.

Subsidy will be increased through the addition of assisted housing units with HOPE VI program income, furthering housing authority services.

The Winnebago County Housing Authority will partner with the Rockford Housing Authority and the Rockford Housing Development Corporation, and regional and state affordable housing programs to further the opportunity afforded by the Interagency Agreement to assist both authorities in sharing resources to better serve the community.

The Winnebago County Housing Authority will develop further affordable housing programs through its own resources; and in collaboration with private, non-profit and government resources.

The Winnebago Homes Association will develop further affordable housing programs through its own resources; and in collaboration with private, non-profit and government resources.

Continued work with the Rockford Housing Authority and the Rockford Housing Development Corporation to assist in addressing the difficulty of Concord Commons and the lives of its families.

Market the housing authority to enhance development and management opportunities.

Market, collaborate, partner, and join community development programs to further economic development.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- ☒ Admissions Policy for Deconcentration (within the ACOP and Admin Plan)
- ☒ A) FY 2005 Capital Fund Program Annual Statement
- ☒ B) Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)
- ☒ C) List of Resident Advisory Board Members
- ☒ D) List of Resident Board Member
- ☒ Community Service Description of Implementation (within ACOP)
- ☒ Information on Pet Policy (within the Admin Plan) (Page 147 Agency Plan)

- ☒ Section 8 Homeownership Capacity Statement, if applicable (within the HOPE VI Phase II HTS)
- ☒ Description of Homeownership Programs, if applicable (within ACOP, Admin Plan, FSS Plan, and the HOPE VI Phase II HTS).

Optional Attachments:

- ☒ PHA Management Organizational Chart (Page 146)
- ☒ FY 2005 Capital Fund Program 5 Year Action Plan
- ☐ Public Housing Drug Elimination Program (PHDEP) Plan
- ☒ Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- ☒ Other (List below, providing each attachment name)
- A. Carbon Monoxide Detector Act (Page 144)
- B. Violence Against Women Act (Page 1405)
- C. Resident Member of the Board of Commissioners (Page 145)

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the "Applicable & On Display" column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
X	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the methodology for setting public housing flat rents <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
X	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
X	Public housing grievance procedures <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
X	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
X	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
X	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
X	Policies governing any Section 8 Homeownership program <input checked="" type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
	The most recent Public Housing Drug Elimination Program (PHDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)
X	HOPE VI PHASE II Regulatory and Operating Agreement and Evidentiary Documents	Central Office

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	6713	2		3			
Income >30% but <=50% of AMI	4323	2		3			
Income >50% but <80% of AMI	5337	2		2			
Elderly							
Families with Disabilities	14528						
Race/Ethnicity							
Race/Ethnicity							
Race/Ethnicity							
Race/Ethnicity							

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- ☐ Consolidated Plan of the Jurisdiction/s
Indicate year:
- ☐ U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset
- ☐ American Housing Survey data
Indicate year:
- ☐ Other housing market study
Indicate year:
- ☒ Other sources: 2004 City of Rockford Housing Study

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/>	Section 8 tenant-based assistance		
<input type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	278		30
Extremely low income <=30% AMI	218	78	
Very low income (>30% but <=50% AMI)	54	19	
Low income (>50% but <80% AMI)	2	1	
Families with children	195	70	
Elderly families	8	3	
Families with Disabilities	33	12	
Race/ethnicity/Black	227	82	
Race/ethnicity/Asian/Pacific Islander	2	1	
Race/ethnicity/Hispanic	6	2	
Race/ethnicity/White	46	17	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			

Housing Needs of Families on the Waiting List			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes: How long has it been closed (# of months)? 18 Does the PHA expect to reopen the list in the PHA Plan year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) <input type="checkbox"/> Section 8 tenant-based assistance <input type="checkbox"/> Public Housing <input type="checkbox"/> Combined Section 8 and Public Housing <input checked="" type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction: Champion Park			
	# of families	% of total families	Annual Turnover
Waiting list total	51		32
Extremely low income <=30% AMI	49	94	
Very low income (>30% but <=50% AMI)	1	2	
Low income (>50% but <80% AMI)	2	4	
Families with children	42	81	
Elderly families	0	0	
Families with Disabilities	5	10	
Race/ethnicity/White	2	3	
Race/ethnicity/Hispanic	1	1	
Race/ethnicity/Black	48	94	
Race/ethnicity			
Characteristics by Bedroom Size (Public Housing)			

Housing Needs of Families on the Waiting List			
Only)			
1BR			
2 BR	23	45	16
3 BR	22	43	16
4 BR	5	9	0
5 BR	2	3	0
5+ BR			
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes: How long has it been closed (# of months)? 3 Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) <input type="checkbox"/> Section 8 tenant-based assistance <input type="checkbox"/> Public Housing <input type="checkbox"/> Combined Section 8 and Public Housing <input checked="" type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction: Robert Johnston Gardens			
	# of families	% of total families	Annual Turnover
Waiting list total	9		4
Extremely low income <=30% AMI	9	100	
Very low income (>30% but <=50% AMI)	0	0	
Low income (>50% but <80% AMI)	0	0	
Families with children	0	0	
Elderly families	3	33	
Families with Disabilities	6	67	
Race/ethnicity/Black	3	33	
Race/ethnicity/White	6	67	
Race/ethnicity			
Race/ethnicity			

Housing Needs of Families on the Waiting List			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	9	100	
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes: How long has it been closed (# of months)? Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) <input type="checkbox"/> Section 8 tenant-based assistance <input type="checkbox"/> Public Housing <input type="checkbox"/> Combined Section 8 and Public Housing <input checked="" type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction: Louis J. D'Agnolo Gardens			
	# of families	% of total families	Annual Turnover
Waiting list total	15		5
Extremely low income <=30% AMI	12	80	
Very low income (>30% but <=50% AMI)	3	20	
Low income (>50% but <80% AMI)	0	0	
Families with children	0	0	
Elderly families	5	33	
Families with Disabilities	10	67	

Housing Needs of Families on the Waiting List			
Race/ethnicity/White	13	87	
Race/ethnicity/Black	2	13	
Race/ethnicity			
Race/ethnicity			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	15	100	
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes: How long has it been closed (# of months)? Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Housing Needs of Families on the Waiting List			
Waiting list type: (select one) <input type="checkbox"/> Section 8 tenant-based assistance <input type="checkbox"/> Public Housing <input type="checkbox"/> Combined Section 8 and Public Housing <input checked="" type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction: Collier Gardens			
	# of families	% of total families	Annual Turnover
			25
Waiting list total	32		
Extremely low income <=30% AMI	28	88	
Very low income (>30% but <=50% AMI)	4	13	
Low income (>50% but <80% AMI)	0	0	
Families with	0	0	

Housing Needs of Families on the Waiting List			
children			
Elderly families	6	19	
Families with Disabilities	20	63	
Race/ethnicity/Black	16	50	
Race/ethnicity/White	14	44	
Race/ethnicity/Hispanic	2	6	
Race/ethnicity			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	24	71	
2 BR	10	29	
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes: How long has it been closed (# of months)? Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

C. Strategy for Addressing Needs

The housing authority will open the Champion Park wait list and market the Collier Gardens wait list to address deconcentration and make eligible families aware of available housing.

Winnebago Homes Association will enter into partnerships for affordable housing to increase availability county-wide.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

- ☒ Employ effective maintenance and management policies to minimize the number of public housing units off-line
- ☒ Reduce turnover time for vacated public housing units
- ☒ Reduce time to renovate public housing units
- ☒ Seek replacement of public housing units lost to the inventory through mixed finance development
- ☒ Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- ☒ Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- ☒ Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- ☒ Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- ☒ Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- ☒ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- ☐ Other (list below)

Strategy 2: Increase the number of affordable housing units by:

Select all that apply

- ☒ Apply for additional section 8 units should they become available
- ☒ Leverage affordable housing resources in the community through the creation of mixed - finance housing
- ☒ Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- ☒ Other: (list below)

HOPE VI Phase V and VI

Affordable housing development, acquisition, and program partnership with Winnebago Homes Association.

State of Illinois Rental Housing Support Program.

Family Self-Sufficiency Program.

Section 811

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

Select all that apply

- ☒ Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- ☒ Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- ☐ Employ admissions preferences aimed at families with economic hardships
- ☒ Adopt rent policies to support and encourage work
- ☒ Other: (list below)

The Champion Park Homes are an income tier based program.

The Housing Choice Voucher program requires 30% AMI targeting.

Need: Specific Family Types: Families at or below 50% of median**Strategy 1: Target available assistance to families at or below 50% of AMI**

Select all that apply

- ☒ Employ admissions preferences aimed at families who are working
- ☒ Adopt rent policies to support and encourage work
- ☐ Other: (list below)

The Champion Park Homes are an income tier based program.

Need: Specific Family Types: The Elderly**Strategy 1: Target available assistance to the elderly:**

Select all that apply

- ☐ Seek designation of public housing for the elderly
- ☒ Apply for special-purpose vouchers targeted to the elderly, should they become available
- ☒ Other: (list below)

Market senior/disabled housing developments.

Employ admissions preferences aimed at the elderly.

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- ☒ Seek designation of public housing for families with disabilities
- ☒ Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- ☒ Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- ☒ Affirmatively market to local non-profit agencies that assist families with disabilities
- ☒ Other: (list below)

Employ preferences aimed at families with disabilities.

Eleven homes in the Champion Park development have been set-aside for families with disabilities.

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

Select if applicable

- ☒ Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- ☐ Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- ☒ Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- ☒ Market the section 8 program to owners outside of areas of poverty /minority concentrations
- ☐ Other: (list below)

Other Housing Needs & Strategies: (list needs and strategies below)**(2) Reasons for Selecting Strategies**

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- ☒ Funding constraints
- ☒ Staffing constraints

- ☐ Limited availability of sites for assisted housing
- ☐ Extent to which particular housing needs are met by other organizations in the community
- ☐ Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- ☒ Influence of the housing market on PHA programs
- ☐ Community priorities regarding housing assistance
- ☒ Results of consultation with local or state government
- ☒ Results of consultation with residents and the Resident Advisory Board
- ☐ Results of consultation with advocacy groups
- ☒ Other: (list below)

The speed of the HOPE V and VI phases have to be constantly measured against the currently difficult housing market.

Asset-Based Management will limit the ability of the housing authority to conduct programs.

The regulatory cap on Section 8 vouchers will limit the housing authority's ability to help more families, despite careful program projection and forecast.

Reduced funding for housing assistance, administrative costs, and capital funds will hamper the program.

Possible cost ratio effect on the PHAS program through the successful Winnebago County Housing Authority programs may further and ironically have an adverse effect on the housing authority's program performance designation.

Regulatory constraints.

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2005 grants)		

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
a) Public Housing Operating Fund	731,292	Public Housing operations
b) Public Housing Capital Fund	548,165	PHA Capital Improvements
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	2,163,922	Section 8 program
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self-Sufficiency Grants	101,886	Elderly/disabled supportive services
h) Community Development Block Grant	358,000	Awarded to Winnebago County for use with the HOPE VI site infrastructure
i) HOME		
Other Federal Grants (list below)		
Neighborhood Networks	220,000	Community Support Services
2. Prior Year Federal Grants (unobligated funds only) (list below)		
Capital Fund FY2002	4,484	Capital fund improvements
Capital Fund FY2003	422,800	Capital fund improvements
Capital Fund FY2004	548,561	Capital fund improvements
RHF, FY2001, 2002, 2003	110,446	HOPE VI Phase II
3. Public Housing Dwelling Rental Income		
HOPE VI ACC	303,920	Program subsidy
Public Housing ACC	590,740	
4. Other income (list below)		
2002 HOPE VI grant	18,847,938	Homeownership and rental development
Interest income	4,000	PHA operations

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
Section 8 Contract Administration	18,472	Affordable housing and administrative programs
4. Non-federal sources (list below)		
Low Income Housing Tax Credits	10,317,791	HOPE VI program
Federal Home Loan Bank Affordable Housing Program	489,000	HOPE VI program
Winnebago Homes Association	54,203	Not-for-profit affordable housing activities/rental units
Total resources	36,056,490	

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- ☒ When families are within a certain number of being offered a unit: generally within the top five applicants for each vacancy.
- ☐ When families are within a certain time of being offered a unit: (state time)
- ☐ Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- ☒ Criminal or Drug-related activity
 - ☒ Rental history
 - ☒ Housekeeping
 - ☒ Other (describe)
- Tax Credit program eligibility as applicable.

- c. ☐ Yes ☒ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- d. ☐ Yes ☒ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- e. ☐ Yes ☒ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

- a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- ☐ Community-wide list
- ☐ Sub-jurisdictional lists
- ☒ Site-based waiting lists
- ☒ Other (describe)

Champion Park Project Based Section 8 unit selection are combined with the Champion Park public housing units within the site-based wait list.

- b. Where may interested persons apply for admission to public housing?

- ☒ PHA main administrative office
- ☒ PHA development site management office
- ☒ Other (list below)

Application and contact materials are available on the housing authority's website.

- c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?4

2. ☒ Yes ☐ No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
If yes, how many lists? 1

3. ☒ Yes ☐ No: May families be on more than one list simultaneously
If yes, how many lists? 1

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- ☒ PHA main administrative office
- ☒ All PHA development management offices
- ☒ Management offices at developments with site-based waiting lists

- ☒ At the development to which they would like to apply
☒ Other (list below)
 The housing authority website.

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- ☒ One
☐ Two
☐ Three or More

b. ☒ Yes ☐ No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

- ☐ Yes ☒ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- ☒ Emergencies
☒ Overhoused
☒ Underhoused
☒ Medical justification
☒ Administrative reasons determined by the PHA (e.g., to permit modernization work)
☒ Resident choice: (state circumstances below)
 Threat of physical harm or criminal activity
 If Head of House employment is more than 25 miles from the development
☒ Other: (list below)
 Demolition
 Disposition
 Revitalization
 Rehabilitation
 Reasonable accommodation
 As required by Tax Credit units.

c. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- ☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- ☒ Victims of domestic violence
- ☐ Substandard housing
- ☐ Homelessness
- ☐ High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- ☒ Working families and those unable to work because of age or disability
- ☒ Veterans and veterans’ families
- ☒ Residents who live and/or work in the jurisdiction
- ☒ Those enrolled currently in educational, training, or upward mobility programs
- ☒ Households that contribute to meeting income goals (broad range of incomes)
- ☒ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☒ Other preference(s) (list below)

Families who are currently or were Champion Park residents at the date of the award of the Winnebago County Housing Authority’s 2002 HOPE VI grant.

Families who have remained current to the Champion Park waiting list that was closed effective the date of the award of the Winnebago County Housing Authority’s 2002 HOPE VI grant. This does not apply to applicants to the wait list opened after that date.

Nursing home residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety calendar days and have been determined by the state-licensed nursing home as eligible for discharge.

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

By Date and Time and preference.

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- 1 Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- 1 Working families and those unable to work because of age or disability
- 1 Veterans and veterans' families
- 1 Residents who live and/or work in the jurisdiction
- 1 Those enrolled currently in educational, training, or upward mobility programs
- 1 Households that contribute to meeting income goals (broad range of incomes)
- 1 Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

- 1 Families who are currently or were Champion Park residents at the date of the award of the Winnebago County Housing Authority's 2002 HOPE VI grant.

- 1 Families who have remained current to the Champion Park waiting list that was closed effective the date of the award of the Winnebago County Housing Authority's 2002 HOPE VI grant. This does not apply to applicants to the wait list opened after that date.

- 1 Nursing home residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety calendar days and have been determined by the state-licensed nursing home as eligible for discharge.

4. Relationship of preferences to income targeting requirements:

- ☒ The PHA applies preferences within income tiers
- ☐ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- ☒ The PHA-resident lease
- ☒ The PHA's Admissions and (Continued) Occupancy policy
- ☒ PHA briefing seminars or written materials
- ☐ Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- ☒ At an annual reexamination and lease renewal
- ☒ Any time family composition changes
- ☒ At family request for revision
- ☐ Other (list)

(6) Deconcentration and Income Mixing

a. ☐ Yes ☒ No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. ☒ Yes ☐ No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

- ☒ Adoption of site based waiting lists
If selected, list targeted developments below:
Champion Park
- ☒ Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:
Champion Park
- ☒ Employing new admission preferences at targeted developments
If selected, list targeted developments below:
Champion Park
- ☒ Other (list policies and developments targeted below)

HOPE VI PHASE II Regulatory and Operating Agreement

- d. ☐ Yes ☒ No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?
- e. If the answer to d was yes, how would you describe these changes? (select all that apply)
- ☐ Additional affirmative marketing
 - ☐ Actions to improve the marketability of certain developments
 - ☐ Adoption or adjustment of ceiling rents for certain developments
 - ☐ Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
 - ☐ Other (list below)
- f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)
- ☒ Not applicable: results of analysis did not indicate a need for such efforts
 - ☐ List (any applicable) developments below:
- g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)
- ☒ Not applicable: results of analysis did not indicate a need for such efforts
 - ☐ List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.

Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

- a. What is the extent of screening conducted by the PHA? (select all that apply)
- ☒ Criminal or drug-related activity only to the extent required by law or regulation
 - ☒ Criminal and drug-related activity, more extensively than required by law or regulation
 - ☒ More general screening than criminal and drug-related activity (list factors below)
 - ☒ Other (list below)
Other public housing and affordable housing programs
As required by Tax Credit programs utilizing Project-Based Section 8 units.

- b. ☐ Yes ☒ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c. ☐ Yes ☒ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d. ☐ Yes ☒ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- ☐ Criminal or drug-related activity
- ☒ Other (describe below)
Current and prior address, and the name of the family's landlord of the current and prior address (if known).

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- ☒ None *
- ☐ Federal public housing
- ☐ Federal moderate rehabilitation
- ☐ Federal project-based certificate program
- ☒ Other federal or local program (list below)
The Champion Park Project-Based Section 8 and public housing units are contained within that site based wait list.
- b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)
- ☒ PHA main administrative office
- ☐ Other (list below)

(3) Search Time

- a. ☒ Yes ☐ No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

As a reasonable accommodation for persons with disabilities.

(4) Admissions Preferences

a. Income targeting

- ☒ Yes ☐ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- ☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- ☒ Victims of domestic violence
- ☐ Substandard housing
- ☐ Homelessness
- ☐ High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- ☒ Working families and those unable to work because of age or disability
- ☒ Veterans and veterans' families
- ☒ Residents who live and/or work in your jurisdiction
- ☒ Those enrolled currently in educational, training, or upward mobility programs
- ☒ Households that contribute to meeting income goals (broad range of incomes)
- ☒ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☒ Other preference(s) (list below)

Any family that has been terminated from its HCV program due to insufficient funding.

For families who live in Winnebago County, for the HCV funding assigned for Winnebago County. This preference is not available for families applying to the Stephenson County HCV wait list.

For families who live in Stephenson County, for the HCV assigned to Stephenson County. This preference is not available for families applying to the Winnebago County HCV wait list.

Nursing Home residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety days and have been determined by the state-licensed nursing home as eligible for discharge.

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

Date and Time and preference

Former Federal preferences

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

- 1 Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- 1 Working families and those unable to work because of age or disability
- 1 Veterans and veterans’ families
- 1 Residents who live and/or work in your jurisdiction
- 1 Those enrolled currently in educational, training, or upward mobility programs
- 1 Households that contribute to meeting income goals (broad range of incomes)
- 1 Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☒ Other preference(s) (list below)

- 1 Any family that has been terminated from its HCV program due to insufficient funding.

- 1 For families who live in Winnebago County, for the HCV funding assigned for Winnebago County. This preference is not available for families applying to the Stephenson County HCV wait list.

- 1 For families who live in Stephenson County, for the HCV assigned to Stephenson County. This preference is not available for families applying to the Winnebago County HCV wait list.
- 1 Nursing Home residents who have resided in a state-licensed nursing home for the immediate and consecutive past ninety days and have been determined by the state-licensed nursing home as eligible for discharge.
4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)
- ☒ Date and time of application
- ☐ Drawing (lottery) or other random choice technique
5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)
- ☒ This preference has previously been reviewed and approved by HUD
- ☐ The PHA requests approval for this preference through this PHA Plan
6. Relationship of preferences to income targeting requirements: (select one)
- ☐ The PHA applies preferences within income tiers
- ☒ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

- a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)
- ☒ The Section 8 Administrative Plan
- ☐ Briefing sessions and written materials
- ☒ Other (list below)
- HOPE VI PHASE II Regulatory and Operating Agreement.
- b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?
- ☒ Through published notices
- ☐ Other (list below)

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- ☐ The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- ☒ The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- ☐ \$0
☐ \$1-\$25
☒ \$26-\$50

2. ☒ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities. Family income has decreased because of changed family circumstances, including the loss of employment.

A death has occurred in the family.

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Payment of a flat rent whenever the switch to income-based rent would be lower than the flat rent.

c. Rents set at less than 30% than adjusted income

1. ☐ Yes ☒ No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?
2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

This will be considered should the Voucher Streamlined Reform Act be realized.

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- ☒ For the earned income of a previously unemployed household member
- ☒ For increases in earned income
- ☒ Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:

This will be considered should the Voucher Streamlined Reform Act be realized. The amounts and circumstances cannot be known until such time.

- ☒ Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

This will be considered should the Voucher Streamlined Reform Act be realized. The amounts and circumstances cannot be known until such time.

- ☐ For household heads
- ☐ For other family members
- ☐ For transportation expenses
- ☒ For the non-reimbursed medical expenses of non-disabled or non-elderly families
- ☒ Other (describe below)

Childcare
 Auxiliary apparatus for families with disabilities
 Attendant care

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- ☐ Yes for all developments
- ☐ Yes but only for some developments
- ☒ No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- ☐ For all developments
- ☐ For all general occupancy developments (not elderly or disabled or elderly only)
- ☐ For specified general occupancy developments
- ☐ For certain parts of developments; e.g., the high-rise portion
- ☐ For certain size units; e.g., larger bedroom sizes
- ☐ Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- ☐ Market comparability study
- ☐ Fair market rents (FMR)
- ☐ 95th percentile rents
- ☐ 75 percent of operating costs
- ☐ 100 percent of operating costs for general occupancy (family) developments
- ☐ Operating costs plus debt service
- ☐ The "rental value" of the unit
- ☐ Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- ☐ Never
☒ At family option
☒ Any time the family experiences an income increase
☐ Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
☐ Other (list below)

- g. ☐ Yes ☒ No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- ☐ The section 8 rent reasonableness study of comparable housing
☐ Survey of rents listed in local newspaper
☐ Survey of similar unassisted units in the neighborhood
☒ Other (list/describe below) HUD published Fair Market Rent
As required by the Low Income Housing Tax Credit Program.

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies.

- a. What is the PHA's payment standard? (select the category that best describes your standard)

- ☐ At or above 90% but below 100% of FMR
☒ 100% of FMR
☐ Above 100% but at or below 110% of FMR
☐ Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard?
(select all that apply)

- ☐ FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☐ The PHA has chosen to serve additional families by lowering the payment standard
- ☐ Reflects market or submarket
- ☐ Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level?
(select all that apply)

- ☐ FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☐ Reflects market or submarket
- ☐ To increase housing options for families
- ☐ Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- ☒ Annually
- ☐ Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- ☒ Success rates of assisted families
- ☒ Rent burdens of assisted families
- ☒ Other (list below)
- Funding restraints

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- ☐ \$0
- ☐ \$1-\$25
- ☒ \$26-\$50

b. ☒ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

The family would be evicted because it is unable to pay the minimum rent.

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

Family income has decreased because of changed family circumstances, including the loss of employment.

A death has occurred in the family.

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

- ☒ An organization chart showing the PHA's management structure and organization is attached.
- ☐ A brief description of the management structure and organization of the PHA follows:

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	256	19
Section 8 Vouchers	368	30
Boone County Housing Authority Section 8 Vouchers	238	30
Section 8 Certificates		
Section 8 Mod Rehab		
Special Purpose Section 8 Certificates/Vouchers (list individually)		
Public Housing Drug Elimination Program (PHDEP)		
Project Based Section 8	11	1
Other Federal Programs(list individually)		
Low Income Housing Tax Credit Units also under Public Housing ACC	41	1
Family Unification Program Vouchers	50	1

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

(1) Public Housing Maintenance and Management: (list below)

Admissions and Continued Occupancy Policy for the Winnebago County Housing Authority Public Housing Program.

NAHRO Maintenance Operations Manual.

HUD Maintenance Guidelines Program.

Goodwin and Associates Managing Maintenance

Residential Lease Agreement.
HOPE VI PHASE II Regulatory and Operating Agreement and Evidentiaries.

(2) Section 8 Management: (list below)

Administrative Plan for the Winnebago County Housing Authority Section 8 Housing
Choice Voucher Program.
HOPE VI PHASE II Regulatory and Operating Agreement and Evidentiaries.

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. ☒ Yes ☐ No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

The PHA will accept requests for an informal settlement of a grievance either in writing, to the PHA office within 10 business days of the grievable event. Within 10 business days of receipt of the request the PHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the PHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

The PHA will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the PHA's tenant file.

The resident must submit a written request for a grievance hearing to the PHA within 5 business days of the tenant's receipt of the summary of the informal settlement.

The PHA will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.

Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the PHA.

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

PHA grievance hearings will be conducted by a single hearing officer and not a panel.

The PHA will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality

The tenant will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

Hearings may be attended by the following applicable persons:

- A PHA representative(s) and any witnesses for the PHA

- The tenant and any witnesses for the tenant

- The tenant's counsel or other representative

- Any other person approved by the PHA as a reasonable accommodation for a person with a disability

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

"Good cause" is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If the complainant would like the PHA to record the proceedings by audiotape, the request must be made to the PHA by 12:00 p.m. on the business day prior to the hearing.

The PHA will consider that an audio tape recording of the proceedings is a transcript.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a

decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

When the PHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the PHA Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

- ☒ PHA main administrative office
☒ PHA development management offices
☐ Other (list below)

B. Section 8 Tenant-Based Assistance

1. ☒ Yes ☐ No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

The PHA will only offer informal hearings to applicants for the purpose of disputing denials of admission.

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's notification of denial of admission.

Except as provided in Section 3-III.F, the PHA will schedule and send written notice of the informal hearing within 10 business days of the family's request. The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the PHA.

The person conducting the informal hearing will make a recommendation to the PHA, but the PHA is responsible for making the final decision as to whether admission should be granted or denied.

The PHA will notify the applicant of the PHA's final decision , including a brief statement of the reasons for the final decision.

In rendering a decision, the PHA will evaluate the following matters:

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in PHA policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny admission.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS. The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The PHA will not provide a transcript of an audio taped informal hearing.

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)



PHA main administrative office



Other (list below)

PHA Development offices

7. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

☒ The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment Component 7.

-or-

☐ The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a. ☒ Yes ☐ No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

☒ The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment Component 7.

-or-

☐ The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- ☒ Yes ☐ No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name: Champion Park
2. Development (project) number: IL-06-URD-083-I102
3. Status of grant: (select the statement that best describes the current status)
 - ☐ Revitalization Plan under development
 - ☐ Revitalization Plan submitted, pending approval
 - ☐ Revitalization Plan approved
 - ☒ Activities pursuant to an approved Revitalization Plan underway

- ☐ Yes ☒ No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
- If yes, list development name/s below:

- ☒ Yes ☐ No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
- If yes, list developments or activities below:
- Feasibility and assessment study.

- ☐ Yes ☒ No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
- If yes, list developments or activities below:

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1. ☒ Yes ☐ No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If "No", skip to component 9; if "yes", complete one activity description for each development.)

2. Activity Description

- ☐ Yes ☒ No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

Demolition/Disposition Activity Description
1a. Development name: Champion Park
1b. Development (project) number: IL-06-URD-083-I102
2. Activity type: Demolition <input type="checkbox"/> Disposition <input checked="" type="checkbox"/>
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input checked="" type="checkbox"/> Planned application <input type="checkbox"/>
4. Date application approved, submitted, or planned for submission: <u>02/01/2007</u>
5. Number of units affected: 0
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input checked="" type="checkbox"/> Total development
7. Timeline for activity: a. Actual or projected start date of activity: 02/01/2007 b. Projected end date of activity: 09/01/2007

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1. ☐ Yes ☒ No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

- ☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

Designation of Public Housing Activity Description
1a. Development name:
1b. Development (project) number:
2. Designation type: Occupancy by only the elderly <input type="checkbox"/> Occupancy by families with disabilities <input type="checkbox"/> Occupancy by only elderly families and families with disabilities <input type="checkbox"/>
3. Application status (select one) Approved; included in the PHA’s Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission: (DD/MM/YY)
5. If approved, will this designation constitute a (select one) <input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected:
7. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. ☐ Yes ☒ No: Have any of the PHA’s developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If “No”, skip to component 11; if “yes”, complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

- ☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 11. If “No”, complete the Activity Description table below.

Conversion of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. What is the status of the required assessment? <input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) <input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one) <input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved:) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved:) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. ☒ Yes ☐ No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

- ☐ Yes ☒ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)
1a. Development name: Champion Park
1b. Development (project) number: IL-06-URD-083-I102
2. Federal Program authority: <input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input checked="" type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one) <input checked="" type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: <u>12/03/2004</u>
5. Number of units affected: 52

6. Coverage of action: (select one)

☒ Part of the development

☐ Total development

B. Section 8 Tenant Based Assistance

1. ☒ Yes ☐ No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description:

a. Size of Program

☐ Yes ☒ No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- ☐ 25 or fewer participants
☐ 26 - 50 participants
☐ 51 to 100 participants
☐ more than 100 participants

b. PHA-established eligibility criteria

☒ Yes ☐ No: Will the PHA’s program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

HOPE VI Homeownership Term Sheet, Phase I

This term sheet should be completed by PHAs proposing new construction, substantial rehabilitation, or direct financing to purchasers of non-public housing, for-sale homes. These activities are governed by the Middle-

Income¹ guidance and Section 24(d)(1)(j) and Section 9(d)(1)(j) of the 1937 Housing Act (also known as Section 24/9). For PHAs proposing new construction, substantial rehabilitation, acquisition or direct financing to purchasers of non-public housing, for-sale homes, the homeownership proposal is comprised of this term sheet and submission of attachments listed at the end of this document. A PHA does not need to also submit a Homeownership Plan.

Those PHA's wishing construct public housing for sale to purchasers (including lease-purchase) should complete a Development Proposal to be submitted to the HUD Field Office and a Homeownership Plan in accordance with the Section 32 regulations found at 24 CFR 906, and submit the Section 32 Plan to HUD's Special Applications Center. PHAs proposing a Section 8(y) Housing Choice Voucher program should amend their Housing Choice Voucher Administrative Plans, and do not need to complete this term sheet. For a complete description of the Middle-Income, Section 24/9, and Section 32, Section 8(y) programs, refer to *Some Homeownership Guidelines for PHAs* found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_guide.pdf For additional guidance, refer to HUD's Cost Control and Safe Harbor Guidelines for Homeownership found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf

This term sheet consists of five sections, and should be completed by the PHA for submission to the HUD Grant Manager for presentation to the Project Review Panel. If the PHA wishes to provide information relevant to its proposed homeownership project that is not specifically solicited in this term sheet, please include this information in Section C (XVII), Additional Information on the Project. Upon review by the Project Review Panel and the HUD Grant Manager's request, the PHA should then submit required documents listed at the end of this term sheet. This term sheet contains the following five sections:

Homeownership Project Summary: Check boxes and a brief narrative description of the homeownership project.

Roles and Responsibilities: A description of project partners and their roles and responsibilities.

¹ The Middle-Income homeownership program was formerly known as the Nehemiah-like homeownership program.

Statement of Terms: A description of the project terms between the PHA and other parties for the specific project under review.

Attachments: Documents that should be included with the initial submission of the term sheet to HUD.

Documents: Documents that must be submitted prior to obtaining HUD approval of, and release of funds for, the proposed homeownership project.

A. Homeownership Project Summary

Purpose: *To provide a brief summary description of the homeownership project under review.*

Instructions: *Check only one box indicating the homeownership program type and any activities that apply under that program. If the PHA wishes to implement more than one kind of homeownership program (e.g., Middle-Income and Section 24/9), the PHA must submit separate term sheets for each project proposed. For your reference, Some Homeownership Guidelines for PHAs offers detailed descriptions of each homeownership program listed below, definitions of terms, and explanations of homeownership proposal provisions. This document can be found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_guide.pdf*

☐ **Middle-Income**

- ☐ New Construction
- ☐ Substantial Rehabilitation
- ☐ Acquisition (if checked, then Substantial Rehabilitation must also be checked)
- ☐ Direct Financing to Purchasers

☒ **Section 24/9**

- ☒ New Construction
- ☐ Rehabilitation
- ☐ Acquisition
- ☒ Direct Financing to Purchasers

Is the homeownership project providing subordinate mortgages?

- ☒ Yes (If yes, only complete Sections A., B., C. (II – V, XII, XIV – XVIII), D., and E. of this Term Sheet)
- ☐ No

Instructions: *Provide a brief narrative that describes the homeownership project to be reviewed. Include the following information:*

- *The overall unit count broken down by unit type (e.g. affordable, market);*
- *The building type(s) being constructed and/or financed (e.g., row, elevator, detached/semi-detached, walk-up, etc.);*
- *Sources of funding;*
- *The names of the major partners; and*

- Any unusual features of the project (e.g., a land swap, scattered site acquisition and development, etc.).

Name of PHA:	Winnebago County Housing Authority		
Name of Phase/Development:	Champion Park Revitalization – Phase I		
HOPE VI Grant No./Development Project No.:	IL-06-URD-083-I102		
Contact Name:	Alan Zais		
Contact Phone No.:	815/963-2133		
Narrative:	See Below		

Champion Park Phase I – (26 homeownership units)

CPP's Plan includes an aggressive strategy, which will result in swift and positive changes in both the perception of the area, and its physical appearance. Key activities to be accomplished in connection with Phase I include:

- Completion of the Master Site Plan for the Washington Park neighborhood. (Please see Attachment 8 for information on site locations).
- Completion of the design work associated with the infrastructure improvements consistent with the Master Site Plan.
- Construction of substantial infrastructure improvements consistent with the Master Site Plan.
- Completion of final architectural plans for the 26 for-sale homes to be built.
- Neighborhood streetscape improvements.
- Intensive neighborhood/site clean-up effort regarding debris, eyesores and overgrown bushes and trees.
- Renovation of the Washington Park Community Recreation Center.

- Construction (including site improvements) of 26 single-family for-sale homes.

Specific aspects of CPP's Phase I Plans are:

Master Site Planning

CPP intends to use as a foundation the conceptual framework of the Master Site Planning performed to date. This framework includes the core concept of demolishing the Champion Park Apartments, while strategically redeveloping underutilized land throughout the Washington Park neighborhood. CPP's Plan intends to combine traditional neighborhood design with universal design principles to create accessible, visitable, and adaptable housing that works for all. CPP's Plan will also maintain the theme of developing accessible open spaces with new and expanded parks, greenways and recreational amenities.

The master site planning will also build upon the recently completed Springfield/Harrison roadway extension, which is adjacent to the Washington Park Neighborhood. The Washington Park neighborhood is in dire need of modern public infrastructure, including streets with concrete curbs, sidewalks and gutters, sewer/water and street lighting. To give the Washington Park Neighborhood an immediate positive impact, CPP proposes that the majority of the infrastructure design work be done in Phase I with the bulk of the physical improvements being performed over Phases I, II and IV.

Home Design and Features

CPP is proposing various home designs and features in an array of housing types that reflect the characteristics of the Washington Park neighborhood and will include amenities desired by current and future residents.

As part of its Development Team, CPP has partnered with the HOPE VI Award Winning Architectural Firm of AG Architecture ("AG"). AG has spent considerable time in the Washington Park Neighborhood in order to fully understand existing conditions and architectural design elements in the target area.

Based upon its research and experience, as well as input and feedback from CPP and WCHA, AG has initially created five home designs, which properly express the community's vision for design and marketplace expectations. Design parameters include:

- Energy Efficient Construction
- Porches
- Basements
- Attached Garages
- Ranges
- Refrigerators
- Dishwashers
- Disposal

- Central Air
- Washer/Dryer Hook-ups
- Window Treatments
- Carpeting
- Wired For Cable/Internet

The home designs for Phase I are summarized as follows:

Building Type	No. of Units	No. of Bedrooms	No. of Baths	Square Footage
Ranch	2	2	1.0	1156
Ranch	3	3	1.0	1370
2-Story	15	3	1.5	1530
2-Story	3	4	2.0	1530
2-Story	3	5	2.0	1610

CPP and WCHA have taken significant steps to ensure the homes are as accessible, adaptable, and visitable as feasible. The Project includes two and three bedroom ranch style designs, which are fully accessible, meeting all pertinent HUD, State, and local design requirements for handicapped accessibility. In addition, the Project has three, four, and five bedroom 2-story designs that include significant adaptability and visitability features. The following features will be included in all 2-story designs:

- First floor bathrooms and kitchens with proper turn radiuses for people in wheel chairs.
- All bathrooms will contain reinforcement (blocking) for the future installation of grab bars.
- Light switches, outlets, controls, etc. will be in accessible locations.
- An accessible route through the dwelling unit by providing a 32" clear opening in all bathroom and interior doorways.
- The Project has a goal of having 100% of the homes with at least one accessible route into the homes. However, the actual percentage may be less than 100% due to individual site-specific issues.

Income Mix and Marketing

A key factor in the success of CPP's Plan is the ability to demonstrate re-investment in the Washington Park neighborhood resulting in visible changes. Based upon CPP's knowledge of the market place and additional market research of home sale prices, CPP has devised a strategy to attract potential homebuyers of various incomes,

while also being able to offer homes for sale that are affordable to households already living in the Washington Park neighborhood.

Specifically, CPP is proposing to construct 26 single-family homes in Phase I. This phase will have (2) 2-bedroom, (18) 3-bedroom, (3) 4-bedroom and (3) 5-bedroom homes and be sold for their actual appraised values. Because CPP is local and has extensive knowledge of the market place, and based upon the Market Study completed by Cambridge Partners & Associates, Inc. in June, 2004, CPP believes that \$65,000 is a realistic initial average appraised value of the Phase I homes to be constructed in the Washington Park neighborhood.

Included as part of Attachment 22 is a summary of the proposed WCHA HOPE VI Homeownership Second Mortgage Program. This program is the vehicle that will allow homebuyers with annual household incomes ranging, on average, between 35% and 55% of Rockford Metropolitan Statistical Area Median Income ("AMI") to purchase homes. CPP's plan is flexible in that homebuyers both above and below this range can be accommodated, within limitations. All 26 homes to be built will be developed with public housing capital assistance and considered public housing replacement units with households having annual household incomes of up to 80% of AMI being able to purchase the homes. 80% of AMI for a family of four in Winnebago County is currently \$47,850. CPP will further income tier 5 units for households with annual household incomes of at or below 60% of AMI. 60% of AMI for a family of four in Winnebago County is \$35,880. Additionally, the Project will attempt to reach even lower income tiers than those described above through the use of the WCHA HOPE VI Second Mortgage Program, which is described in Attachment 22. The goal will be to reach households having annual household income starting at approximately 30% of AMI. The targeted goals for each of these various income tiers and the number of homes are outlined in the PHA Mortgage Analysis provided in Attachment 4.

CPP estimates that homebuyers with annual household incomes in the \$20,000 to \$25,000 range will have monthly payments ranging from \$467 to \$583 for principal, interest, taxes, and insurance ("PITI"). The estimate assumes the use of IHDA's First-Time Homebuyers' Program and/or available downpayment/closing cost assistance funds from the Federal Home Loan Bank of Chicago. CPP's Plan was created to aid in the overall economic integration of the Washington Park neighborhood.

CPP will hire one or more local real estate brokers to affirmatively market the for-sale homes. In addition, CPP will work with all interested Community Partners, especially those which have downpayment/closing cost housing counseling services and programs serving first-time home buyers. Partners are expected to include the University of Illinois Extension in Winnebago County and the City of Rockford's Down Payment and Closing Cost Assistance Program. Area churches and community-based organizations are also expected to play key roles in disseminating information.

A comprehensive marketing campaign will be undertaken that will target all income ranges and segments of the population. This campaign is anticipated to utilize mass media, public service announcements, advertising, community service providers and churches (Please see Attachment 16 for Marketing Plan).

Another key component of CPP's aggressive and comprehensive Phase I plan is the renovation of the Washington Park Community Center in the framework currently envisioned by the WCHA. This will aid in demonstrating visible implementation of the overall Champion Park Revitalization Plan, while at the same time adding and updating services and amenities for residents of the entire Washington Park area, in addition to creating space for WCHA's Neighborhood Network Program. Conceptual plans are included in Attachment 19.

The Community Center work is currently planned to be done from a predevelopment framework. The Phase I funds budgeted for Community Center associated work are being combined with funds from phases II, and IV and all work will be done concurrently. The design work including full architectural plans and specifications, which was already approved by HUD in the current predevelopment budget, is underway. It is expected that the design work and its associated approvals will be completed by December 31, 2004 and the actual construction work will be completed by September 30, 2005. No HOPE VI funds will be drawn down for the actual improvements until the final plans are completed and approved.

Sources of Funding

The total development budget for Phase I is \$8,249,312, which includes both Part A and Part B line-items (Please see Attachment 2 for revised detailed Exhibit F-1's). The permanent funding sources for Phase I are:

- HOPE VI - \$6,209,842 (including HOPE VI 2nd Mortgages of \$361,556)
- Homebuyer Permanent Financing - \$1,639,300 (including HOPE VI 2nd Mortgages of \$361,556)
- Homebuyer Downpayment/Closing Costs - \$79,300
- AHP Grant - \$220,870
- Neighborhood Networks Grant - \$100,000

Major Partners

a. Name of Developer and proposed role.

Champion Park Partners, L.L.C., an Illinois limited liability company ("CPP"); will act as Master Developer for the Champion Park HOPE VI Project. CPP will work in partnership with the WCHA, the residents of Champion Park and the community stakeholders to guide this Project to a successful completion. As Master Developer, CPP will be responsible for coordination of the revitalization project, as set forth in the Master Development Agreement.

b. Main address, telephone/fax numbers and email address of Developer's firm.

6735 Vistagreen Way, Suite 310
Rockford, IL 61107

Phone: (815)637-4246
Fax: (815)637-4263
Email Address: jimteeter@star-hold.com.

- c. Address and telephone number of the office from which services will be provided to the development (if different from above).

Same as above – Please note, CPP is already located in Rockford. All CPP decisions will be made in Rockford.

- d. Contact person, title, telephone/fax numbers and email address.

James O. Teeter, Jr. – Attorney/C.P.A. Director of Acquisitions
(HOPE VI Project Manager)
Star Development, L.L.C.
6735 Vistagreen Way, Suite 310
Rockford, IL 61107
Phone: (815)637-4246
Fax: (815)637-4263
Email Address: jimteeter@star-hold.com

Star Development, L.L.C. (“**Star**”) and NEF Assignment Corporation, Inc. (“**NEF**”) will partner as the Master Developer, CPP. Star contributes its extensive development experience regarding affordable housing projects and ability to combine mixed financing to successfully acquire and construct and/or rehabilitate affordable housing projects. This includes a strong success in acquiring Low-Income Housing Tax Credits for many of these Projects. NEF supplements Star’s contribution by bringing to the table significant expertise with HOPE VI Projects and mixed financing. NEF is the nation’s largest non-for-profit equity provider of Low-Income Housing Tax Credits, and through its public housing group, has substantial experience with the successful completion of HOPE VI Projects in working with numerous public housing agencies.

As the 90% controlling Member in CPP, Star and its affiliates employ over 350 people. Star’s national headquarters is located in Rockford and all of the decisions regarding this project will be made in Rockford. Although the individual partners of CPP are each successful, ongoing business concerns, both are committed to providing the Project sufficient manpower in order to act as the Master Developer. Due to the importance of maintaining resident and community involvement, and encouraging Section 3 and minority business participation, CPP will utilize a HOPE VI Project Coordinator in addition to the HOPE VI Project Manager. The Hope VI Project Manager and Coordinator will meet with the Champion Park residents and the community stakeholders to encourage their continued involvement in the Project. The Manager and Coordinator will also work to ensure that CPP meets its goals of Section 3 and MBE/WBE participation. In addition, the HOPE VI Project Manager, James O. Teeter, Jr., will devote a significant portion of his time to the Champion Park Project. It is

anticipated that at least two other CPP professionals will also devote a significant portion of their time to the project. CPP has significant and sufficient human infrastructure to devote the necessary resources of time and efforts to the Project at the specific times that it is required.

Star Development, L.L.C. (“Star”)

6735 Vistagreen Way, Suite 310
Rockford, IL 61107

Star is a national developer of affordable multifamily housing projects with its headquarters in Rockford. Star has over 17 years of experience in developing affordable multifamily projects that range both in size and financing complexity. Projects developed by Star have utilized numerous types of financing from a variety of sources, including State Housing Agencies, Rural Development, Federal Home Loan Bank and HUD. The specific types of financing include Low Income Housing Tax Credits (“LIHTC”), IHDA Trust Funds, private activity Tax-Exempt Bonds, Grants and Low-Interest Loans. Star has been creative in its ability to put together realistic and obtainable financing necessary to complete complex transactions. Star has been especially proficient at receiving allocations of competitive LIHTC. Since 1989, Star has received 25 allocations of competitive Tax Credits from IHDA, with 7 coming in the last three years.

Star has substantial experience in the master planning and development of both new construction and the rehabilitation of existing multifamily housing. Star is staffed with professionals who have a wealth of experience with affordable housing development. Star’s staff includes licensed attorneys, a CPA, real estate brokers, experienced developers, experts in mixed finance developments and skilled LIHTC experts.

Star General Contractors, L.L.C. (“SGC”)

6735 Vistagreen Way, Suite 310
Rockford, IL 61107

SGC was organized in 1996, combining the expertise of several individuals in the construction/rehabilitation of both single-family homes and multifamily affordable housing projects, as well as the construction management of such projects. Since its formation, SGC has overseen the construction and/or rehabilitation of numerous affordable housing projects.

Role:

SGC will act as the General Contractor for the project, overseeing and coordinating the various construction activities throughout the Phases. SCG is an affiliate and under the control of Star and the Developer.

AG Architecture, Inc.

1414 Underwood Avenue
Wauwatosa, WI 53213

AG Architecture is a Milwaukee based A/E practice with a 40-year history in multi-family and senior living design. The firm has led the design efforts for three successful City of Milwaukee Housing Authority's HOPE VI Projects. At both the Hillside and Park Lawn projects, AG Architecture rehabilitated existing super blocks, one of which was originally constructed in 1937, into vibrant neighborhoods that have been integrated into the surrounding community. Densities were reduced, streets re-opened or added, existing structures were softened and personalized porches added, landscaping was enhanced, and community resource centers and public schools were added. At the town homes at Carver Park, a 1960's Era Super block was demolished and replaced with a vital New Urbanism mixed-income community that emulates a 65-year old Milwaukee neighborhood.

Role:

AG Architecture will serve as the lead architect for the Project, providing their extensive experience with HOPE VI Projects in the design of the single-family homes to be built in the Washington Park Neighborhood.

AmCore Bank, NA

501 Seventh Street
Rockford, IL 61104

AMCORE Financial, Inc. is a bank distinguished by high performance asset management and the delivery of tailored products to business customers in selected high growth Midwestern markets. The Company is headquartered in Rockford, Illinois.

Role:

AMCORE will be the lender for construction financing providing a construction loan in an amount up to \$694,438, as well as the Member Institution for purposes of the Affordable Housing Program (AHP) fund application to the Federal Home Loan Bank of Chicago. It is also anticipated that AMCORE will be one of the permanent lenders for the homeownership phase of the project, utilizing its homeownership programs. AMCORE has already submitted an AHP application for Champion Park Revitalization - Phase I that was approved in the amount of \$220,870. This \$220,870 in AHP funds will be provided to the Project during the construction period as a 3rd mortgage from AmCore Bank. As each home is sold, the 3rd mortgage will be partially released with respect that home and AmCore Bank will record a new forgivable mortgage with the homebuyer.

B. Roles and Responsibilities

I. Roles and Responsibilities of the PHA and its Partners

Purpose: *To provide HUD with information on PHA partners and their roles and responsibilities. The description should outline as applicable the parties responsible for relocation and demolition plans, loan administration, marketing, obtaining construction financing, homeownership counseling, ownership of homes*

during construction, sale of homes, and, for the PHA, a description of staffing for the day-to-day implementation and oversight of the homeownership project. If the PHA intends to use a contractor to perform administrative functions under the project, the PHA should include a narrative description of the roles and responsibilities of that party.

Instructions: Complete the chart below by describing the specific responsibilities. Refer to the Mixed-Finance Responsibility Checklist found at <http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/> for additional responsibilities that may be relevant to this project.

Role	Description of Responsibilities
<i>PHA (name: Winnebago County Housing Authority)</i>	<i>Administrative functions; relocation activities; prequalification of homebuyers.</i>
<i>Developer (name: Champion Park Partners, L.L.C)</i>	<i>All development related activities including master site planning, site acquisitions, construction, procurement of construction financing, and obtaining municipal approvals. Additional responsibilities include ownership of the homes during the construction period, sale of the homes, MBE/WBE/Section 3 Compliance and day-to-day oversight of the homeownership project. Assisting WCHA in initial and ongoing LOCCS and Bearing Points functions.</i>
<i>Construction Lender(s) (name(s): AMCORE Bank)</i>	<i>Construction financing.</i>
<i>Permanent Lender(s) (name(s): AMCORE Bank and Other Various TBD)</i>	<i>Permanent financing for homebuyers.</i>
<i>Loan Administrator (name: Winnebago County Housing Authority)</i>	<i>Development of standardized loan documents with the PHA; administration and servicing of the subordinate mortgage to purchasers; and tracking payment on the subordinate mortgage upon resale, bankruptcy, or foreclosure.</i>
<i>Homeownership Counseling Agency (name: University of Illinois Extension)</i>	<i>Pre-purchase and post-purchase counseling. Homeownership counseling is part of the CSS plan and budget. There will be no charge to the homebuyers and no specific line-item for homeownership counseling outside of the CSS budget.</i>
<i>City (specify:)</i>	
<i>Other (specify:)</i>	

II. Ownership

Purpose: *To understand the structure of ownership during the predevelopment and construction phases of the project.*

Instructions: *In the table below, describe the ownership structure of project during the predevelopment and construction period of the project.*

	Owner Entity
<i>Land on Which Homes are to be Built or Rehabilitated</i>	<i>Champion Park For-Sale – I, L.L.C.</i>
<i>Improvements Made to Land Prior to Sale</i>	<i>Champion Park For-Sale – I, L.L.C.</i>
<i>Other Interim Land Ownership – Land Bank</i>	<i>Building Enterprise Vision, L.L.C. (B.E.V)</i>

Additional information regarding ownership structure, as needed:

Champion Park For-Sale-I, L.L.C., an Illinois limited liability company (the “Company”); will be the ownership entity for Champion Park Revitalization – Phase I. Champion Park Partners, L.L.C. is the sole member of the Company. Michael K. Moore has been appointed the manager of the Company. The Winnebago County Housing Authority, or any of its subsidiary, associated, or affiliated companies, have no ownership interest in Champion Park For-Sale-I, L.L.C.

Regarding the interim ownership of the vacant lots to be built on, the 26 lots identified for Phase I as being owned, were purchased by an entity called Building Enterprise Vision, L.L.C. (B.E.V.), which is a single purpose entity created to acquire Parcels for use in the Champion Park Revitalization Project. Lots owned by B.E.V. will ultimately be transferred to the Champion Park For-Sale I, L.L.C. at the closing of this Phase I.

III. Homeownership Counseling Program

Purpose: *To provide HUD with information regarding the homeownership counseling program requirements and the PHA’s counseling implementation plan.*

Instructions: *Complete the following questions on the homeownership counseling agency and program.*

Name of Counseling Agency and Description of the Agency’s experience in the community.

*University of Illinois Extension
Evelyn A. Prasse
Extension Educator
Consumer and Family Economics*

*Rockford Extension Center
417 Ware Avenue, Suite 102
Rockford, Illinois 61107-6412*

The University of Illinois Extension has over eight years of experience in community homeownership counseling. Ms. Prasse holds a Bachelors degree in Home Counseling Education, a Masters degree in Adult Education with an Emphasis on Housing, and is in the process of completing her certification with the Association of Financial and Planning Education, with such completion expected at the end of 2004. The University of Illinois Extension continues to serve as the Homeownership Counseling program for the Rockford Housing Authority, with the Rockford Housing Authority sharing some of the same jurisdiction as the Winnebago County Housing Authority. The University of Illinois Extension has assisted 68 families in purchasing homes with only one foreclosure. The program's successful curriculum enjoyed by the Rockford Housing Authority will be identical to the curriculum extended to the Winnebago County Housing Authority.

Describe the curriculum and scope of services for the agency under this homeownership proposal.

The curriculum relies on a six week homeownership program, with six two hour sessions.

Session 1	<p>“Getting Started”</p> <ul style="list-style-type: none"> - pros and cons of homeownership -how to get started
Session 2	<p>“Shopping For a Home”</p> <ul style="list-style-type: none"> - working with a realtor -home buying process -City of Rockford housing programs -home inspections
Session 3	<p>“Financing Your Home”</p> <ul style="list-style-type: none"> -credit - loans, mortgages, etc.
Session 4	<p>“Paying For Your Home and Living Expenses”</p> <ul style="list-style-type: none"> -budgeting
Session 5	<p>“Protecting Your Home”</p> <ul style="list-style-type: none"> -home security -home insurance -fraud
Session 6	<p>“Maintaining Your Home”</p> <ul style="list-style-type: none"> -home repair -weatherization -landscaping/outside maintenance

The curriculum displayed above is offered in both the Spring and Fall (and in the Summer, if requested), the program serves 12 – 25 persons to maximize the instructor's attention to individual family concerns. One session is offered each week. It is mandatory that the families complete all the sessions. At the end of the program a certificate is awarded that allows the families to participate in city, Freddie Mac, and Fannie Mae programs.

The program provides all materials and requires homework. An actual realtor is presented for the realty program, an insurance agent for the homeownership insurance, and even a horticulturist. However, solicitation is not allowed. The initial program determines if the family is even ready or sincerely wishes to purchase a home. Classes cover the advantages and disadvantages of homeownership, money issues, empowerment of women (to educate women away from traditional gender responsibilities, teaching women to identify and provide their own home maintenance). Software is used and given to the family to cover all budgeting aspects. A lender gives a presentation on credit scoring, and the Consumer Credit Association provides discussion on maintaining good credit. The realtor

presentation (the realtor has a prior history of working for the city) discusses lead, flood insurance, home inspection and earnest money. A video demonstrates the need to have 1% to 3% of the home value in savings for maintenance. Various loan programs are discussed along with the resources for first-time homebuyers with low income. The Police Department presents "Protecting Your Home" covering locks, windows, having dogs and other security concerns. Fraud is covered because the homeowner's name will be on a homeowner's list, and they will be assaulted with contractor and equity loan offers.

The curriculum is also placed within the WCHA's Housing Choice Voucher Administration Plan.

Describe the PHA's strategy to assist prospective homebuyers in accumulating their initial downpayment. Does the PHA's strategy include a Family Self-Sufficiency (FSS) escrow account or an Individual Development Account (IDA)?

There will not be a specific Family Self-Sufficiency escrow account or Individual Development Account (IDA) for regular Section 24(d)(1)(J) homebuyers. However, WCHA's Housing Choice Voucher Program does include a Family Self-Sufficiency (FSS) Escrow Account Component. WCHA will link and work with all downpayment/closing cost assistance programs available in the marketplace to aid eligible homebuyers in their desire to purchase Project homes. These will include the use of a variety of the Illinois Housing and Development Authority's (IHDA) homebuyer programs which offer downpayment/payment closing cost assistance programs. IHDA's First-Time Homebuyer's program offers a closing cost assistance program, which provides funds up to \$1,000 for real estate closing costs. IHDA also offers a HELP program, which offers qualified homebuyers a gift equating to 4.25% of the purchase price, which can be used for downpayment, and closing costs.

WCHA will also actively work with member institutions of the Chicago Federal Home Loan Bank including AmCore Bank to utilize their Downpayment Plus and Downpayment Plus Advantage programs. Under these programs eligible households may access subsidies up to \$5,000 for downpayment and closing cost assistance.

The above described programs will provide prospective homebuyers with significant financial resources to assist in the accumulation of sufficient downpayment funds as well as the necessary monies required to pay for closing costs. The funds, which may be provided by these programs, are in addition to the average figure of \$1,500 per homebuyer to be provided from HOPE VI funds in the Project's budget for closing cost assistance. In addition, the housing counseling curriculum will include various budgeting counseling aspects to aid prospective homebuyers in their understanding of how to accumulate sufficient funds in order to purchase a home. .

Describe the PHA's strategy to ensure that all prospective homebuyers have steady employment and adequate income to support homeownership costs.

All prospective homebuyers will be required to participate in a housing counseling program, which will include a prequalification component to determine that there is adequate income to support homeownership costs and employment history to qualify for a mortgage. The housing counseling will include a review of the prospective homebuyer's income to help ensure they are income qualified to purchase a Project home based upon Project eligibility requirements and that they are in a position to qualify for the required financing based upon their income and employment record. WCHA and its housing counseling agency will also work cooperatively with local financial institutions to pre-approve prospective homebuyers for mortgages as well as downpayment/closing cost assistance. The housing counseling program also offers a post-purchase component to help homebuyers in the event of problems (reduction of income, loss of employment, etc.), which may arise after their purchase of a Project home.

Describe the role of Housing Choice Vouchers in your homeownership strategy, if applicable.

While the Champion Park Revitalization – Phase I Homeownership Plan was prepared under Section 24 (d)(I)(J) parameters, the WCHA also intends to offer a Section 8(y) Housing Choice Voucher Program ('Program') to eligible prospective purchasers. For reference, the complete Section 8(y) Housing Choice Voucher Program, which is part of the WCHA Housing Choice Voucher Administration Plan is included as Attachment 20.

C. Terms

Purpose: *HUD will evaluate whether the overall business terms proposed constitute an appropriate use of public funds. HUD will also evaluate the costs of the project against its Cost Control and Safe Harbor standards in light of the risks taken by the developer and PHA. To determine whether the homeownership project meets HUD's cost guidelines and to evaluate the risks associated with the phase, PHAs should refer to the Homeownership Cost Control and Safe Harbor Standards at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf*

I. Unit Mix

Purpose: *To provide HUD with information about the unit mix for the homeownership project.*

Instructions: *Complete the attached Excel spreadsheet **Unit Mix** to describe the proposed unit mix.*

Please see Attachment 1 for Unit Mix Worksheet.

II. Key Milestones

Purpose: *To provide HUD with a realistic timeline for project implementation and completion.*

Instructions: *Complete the chart below for the specific homeownership project under review. Indicate whether the activity listed is appropriate for the project, and provide a date or date range, as indicated, for actual or anticipated dates of completion, as well as the relevant locked checkpoint date.*

Milestone		Estimated Completion Date	Locked Checkpoint Date
<i>Predevelopment Agreement Signed</i>	<i>N/A X</i>		
<i>Development Agreement Signed</i>	<i>N/A <input type="checkbox"/></i>	<i>3/29/04</i>	<i>3/29/04</i>
<i>Site Acquisition Proposal Approval from HUD</i>	<i>N/A <input type="checkbox"/></i>	<i>11/4/04</i>	<i>7/31/04</i>
<i>Acquisition/Site Control</i>	<i>N/A <input type="checkbox"/></i>	<i>6/30/04</i>	<i>6/30/04</i>

Demolition Approval from HUD <input type="checkbox"/>	N/A X		
Abatement and Demolition Completion	N/A <input type="checkbox"/>	1/1/08	1/1/08
Disposition Approval from HUD	N/A X		
Infrastructure Start <input type="checkbox"/>	N/A	10/15/04	10/15/04
HUD Environmental Review Approval and ROF Statement	N/A <input type="checkbox"/>	7/15/04	7/15/04
Homeownership Evidentiary Materials Submitted to HUD	N/A X		
Closing Date <input type="checkbox"/>	N/A	11/10/04	10/1/04
Milestone		Date Range	Date Range
Presale of Homes (approximately 2 homes per month) <input type="checkbox"/>	N/A	11/04	12/05
Construction Start of Homes (approximately 3.25 homes per month) <input type="checkbox"/>	N/A	11/04	6/05
Construction Completion of Homes (approximately 2.0 homes per month)	N/A <input type="checkbox"/>	6/05	12/05
Sale of Homes (approximately 1.5 per month)	N/A <input type="checkbox"/>	6/05	6/06

Homes in Phase I will initially be built on a “spec” basis, with construction of six (6) spec homes scheduled to begin in the Fall of 2004. Additional homes will be built on a pre-sale and spec basis as appropriate given actual demand.

III. Sources and Uses

Purpose: *To provide HUD with an understanding of the sources and uses of the homeownership project under review. For new construction and substantial rehabilitation projects, HUD will evaluate whether the sources listed are sufficient to build the project, the use of PHA Capital funds for construction and/or permanent use, the ratio of public housing funds to private funds for construction and permanent use, whether costs are within Homeownership Cost Control and Safe Harbor Standards for Homeownership Mixed-Finance Development, and whether the uses appear reasonable.*

Instructions: *For new construction and substantial rehabilitation projects, complete the Excel spreadsheets **Construction and Permanent Sources and Uses**. The construction cost estimate should be based on schematic drawings and outline specifications and current construction costs prevailing in the area.*

Please see Attachment 2, which includes revised Exhibit F-1 for Construction and Permanent Sources and Uses of Funds. Please also see Attachment 14 for an estimate of the construction costs based upon the plans, drawings, and outline specifications.

IV. Subordinate Financing

Purpose: *If a PHA is proposing to provide direct financing to purchasers through subordinate mortgages, HUD will evaluate: (1) the amount of direct financing; (2) the terms of recapture of the direct financing; and (3) the proportion of direct financing as compared to the appraised value of the housing.*

Instructions: *For projects including direct financing to purchasers and/or construction write-downs, PHAs should complete the attached Excel spreadsheets **Sales Financing Schedule** and **PHA Mortgage Analysis**.*

Please see Attachment 3 for a revised Sales Financing Schedule and Attachment 4 for a revised WCHA

Mortgage Analysis.

V. Total Development Cost (TDC) Calculation

Purpose: *To determine whether the proposed activities for the project under review are within HUD's Total Development Cost Limits. For information on TDC, see Notice PIH 2003-8.*

Instructions: *Complete the Excel spreadsheet **TDC & Instructions** to calculate the TDC for the specific project under review. This sheet is required for all homeownership projects regardless of activity proposed.*

Please see Attachment 6 for revised TDC Worksheets for construction and permanent financing.

VI. Market Study and Marketability of Units

Purpose: *PHAs proposing to construct, rehabilitate, or acquire non-public housing units must include a Market Study as an attachment to this term sheet.*

Instructions: *PHAs proposing these activities should describe the type and nature of the outreach the PHA (or its partner) will conduct to make an informed estimate of the pool of potential purchasers. In addition, PHAs proposing to construct, rehabilitate, or acquire non-public housing units should: summarize in this section the key findings from the market study related to the bulleted items below; attach a copy of a market study that has been completed or updated within the last six months; and describe how the PHA's homeownership program conforms with the conclusions of the market study. At a minimum, the Market Study should address the following issues:*

- *Absorption rate in the immediate and larger area;*
- *Condition of existing for-sale stock in the targeted neighborhood;*
- *Sale prices of comparable homes in the targeted and/or comparable neighborhoods;*
- *Incomes of the existing purchaser pool; and*
- *Projected performance of the project (pace and price).*

A Market Study (the “**Study**”) has been completed by Cambridge Partners & Associates, Inc. The complete Study as well as a summary of the Study is included as Attachment 15. The Study expects “**rapid absorption** (especially of the three to five bedroom units) with sales of 6 houses per month, which exceeds the developer’s current absorption schedule. **Based on the potential pent-up demand** for family-oriented homes at the proposed mortgage payments, the project appears to be demographically feasible.” “**The proposed sale prices are either lower than or within the range of the existing sales in the neighborhood.**”

VII. *Developer Compensation*

Purpose: *To determine if the developer’s projected compensation terms are within the Homeownership Cost Control and Safe Harbor Standards. The Cost Control and Safe Harbor Standards can be found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf*

Instructions: *Provide the following information for the net developer fee as defined in the Cost Control and Safe Harbor Standards for the homeownership project under review. Express all fee amounts as a percentage of the overall homeownership project costs. HUD will verify the stated percentages against the provided sources and uses. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.*

Net developer fee for the homeownership project under review:

11.96%

The calculation for the total “Net Developer Fee” is based upon total Project Part A costs (hard and soft) less:

- The developer fee itself*
-

Total Project Part A costs are \$7,797,061. The calculation for the Net Developer Fee is:

Total Project Costs: \$7,797,061

Less:

Developer Fee (833,062)

Net Developer Fee Budget \$6,963,999

\$833,062/\$6,963,999 = 11.96%. The total Net Developer Fee of \$833,062 is being split between CPP as the Master Developer and the WCHA. The CPP share is \$666,449 or 80% of the total Net Developer Fee. The WCHA share is \$166,613 or 20% of the total Net Developer Fee. The CPP share of the Net Developer Fee of \$666,449 represents 9.57% of the total Net Developer Fee Budget.

Is the developer receiving any compensation negotiated separately from the developer fee? ☒ Yes
☐ No

If so, in the following table, list any other tasks for which the Developer is being compensated (e.g., master planning, relocation, CSS, homeownership counseling, sales or marketing, etc.) and the amount of compensation.

Task	Compensation
Master Site Planning	\$ 80,000
	\$
	\$

Justification for Developer Fees above Safe Harbor Standards:

The proposed developer fee for Phase I is 11.96%. While the proposed developer fee is above HUD's Safe Harbor Standard of 9%, it is within the Maximum HUD permitted developer fee limit and is reasonable given the unique nature, extremely short time frame required by HUD as a result of the termination of the previous developer, and substantial risks associated with this Project. It should also be noted that, of the total 11.9% fee, only 9.57% will be paid to the Developer, with the balance to WCHA. The Project is complex and involves numerous non-typical issues, which result in significant activities and risks being borne by CPP. A few, of the many, reasons justifying the proposed developer fee at 11.9% are highlighted below:

- Developer obtains private debt financing to cover some portion of construction costs:** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher developer fees as warranted. CPP is obtaining all private construction financing and is providing 100% of the guarantee associated with the private construction financing resulting in substantial risk to CPP if the Project homes do not sell when forecasted or for the amounts forecasted. Specifically, it is estimated that CPP will obtain \$694,438 in private construction debt financing for Phase I. The WCHA is not assuming any part of this personal guarantee. This is a very substantial risk particularly in light of a June 14, 2004 article in the Peoria Journal Star regarding the River West HOPE VI Homeownership project in Peoria, Illinois. Peoria is a similar sized city to Rockford, located in Illinois about 2 hours from Rockford. The article states that since completion of the River West HOPE VI Homeownership project in Peoria, Illinois in 2001 only one of the thirty-two homes constructed have sold. In this situation, it is our understanding the Peoria Housing Authority assumed the construction financing risk. While we do not at all believe this will prove to be the case with Phase I based upon our financial structuring and a strong market study, it is an important lesson that guaranteeing construction or other loans have real risks and as such CPP must be properly compensated for assuming such substantial and real risks.
- Developer obtains site control from an entity other than a PHA, PHA affiliate or City (fee increases with number of sites):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher developer fees as warranted. As part of its responsibilities as Master Developer, CPP is overseeing the acquisition of all lots for the Project. All Phase I homes are being constructed off-site, in predominantly non-contiguous, scattered sites in the Washington Park neighborhood. None of the required sites for Phase I were acquired from the WCHA or the City. Instead, the sites are being acquired through the oversight of CPP from individual private

owners and the County of Winnebago and are being held in a land bank pending closing of Phase I. This has been a monumental task. CPP had to first seek out and retain competent agents to individually contact the numerous individual private owners, some of which private owners were willing to sell their lots and some of which were not. In the general targeted Project area there are approximately 300 to 400 lots. CPP had to first create and open files for all potential lots in the target area. Research was then done on all potential lots before conveying that information and directing CPP's agents to contact lot owners. To this end, detailed maps and tracking systems had to be developed and constantly updated. Weekly meeting with the agents contacting the lot owners was also necessitated. In addition to dealing with private lot owners to acquire lots, some lots were acquired through negotiations with Winnebago County. While this may intuitively seem like it would have facilitated the lot acquisition process, the reality is obtaining the Winnebago County lots required delicate negotiations, as relations with the past Winnebago County Board Chairman and the WCHA were contentious to the point of drawing significant attention in the news media. Additionally, because of agreements with the City it has been necessary to acquire and combine significantly more lots. To be clear, many smaller 40-foot lots are having to be combined to make the smaller lots into larger build able lots acceptable to the City. This is a very time consuming process in which CPP personnel have had to be intimately involved on a daily basis with replatting and zoning issues and constantly updating the Project Site Map for replatted lots. Additionally, CPP has overseen the ordering of title work and closing on the required lots. Again, site acquisition is not a streamlined, seamless process when dealing with many different private property owners. Title issues have arisen requiring CPP's oversight and guidance to address.

3. **Project is small:** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher developer fees as warranted. Not only is Phase I highly complex due to the non-contiguous, scattered off-site nature of the Phase as indicated above and due to the many other complex factors noted herein, but Phase I at 26 For-Sale homes is quite small from an efficiency standpoint. In other words, unique and complex systems have had to be created costing significant money and professional time to keep the Project moving forward which are then not able to be utilized hundreds of times over on say a 500 home plus development. This is particularly true with respect to Phase I, which only contains 26 single-family For-Sale homes. A perfect example of this inefficiency, is evident from the fact that we are having to have designed for the Project a total of five different home plans each requiring countless hours of design input, review and consultation. Again if hundreds of homes were being built from these plans it would be far more efficient.
4. **Developer carries the financing of model home(s):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher developer fees as warranted. The homes being built in Phase I are being built on a spec, as opposed to a pre-sold basis. As such, all initial homes in Phase I (planned to be six this Fall) are model homes. As noted in the narrative above the building of these homes poses substantial risk for CPP as CPP is personally guarantying all private construction financing for Phase I. While a certain amount of holding costs are budgeted; if homes sit unsold longer than projected taxes, insurance, and interest costs will mount up and directly impact and could eliminate CPP's projected developer fees. Additionally, a minimum of one home in Phase I will be maintained as a model home until all Phase I homes are sold.
5. **Project is complex (e.g., financial, legal, site acquisition, non-contiguous lots, environmental, and/or political):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher developer fees as warranted. Each of the subcategories listed in HUD's Cost Controls and Safe Harbor Standards applies to the Project and to Phase I and necessitates specific mention here:

- a. **Financial:** *The Phase I marketplace which is the Washington Park neighborhood has been depressed for many years and as such has relatively low projected sales prices. When the reality of low projected sales prices is combined with the WCHA's stated goal and commitment to HUD of building all Project units as single family unattached homes which are more expensive per unit than multi-family or attached alternatives, Phase I required a sophisticated financing structure to achieve these goals. CPP realized as a long-term real estate developer in the Rockford market that the market realities could not be ignored or the results could prove disastrous, as was the case with the River West HOPE VI Homeownership project in Peoria, Illinois. To overcome this challenge, CPP personnel spent countless hours researching the market and coming up with a plan that would work. CPP's plan has been structured with a forgivable HOPE VI Second Mortgage program, which we refer to as our First-Come-First Served/Buy Basis ("FCFB") program. This program will require substantial oversight to implement properly considering both appreciation and recapture issues. Additionally, to make the Phase I homes affordable given the market, CPP has applied for and received a AHP grant for Phase I. The application for this AHP grant and the required oversight to implement it for Phase I, which only has 26 homes, have been and will continue to be most time consuming.*
- b. **Legal:** *The Project and Phase I specifically have been complex and demanding from a legal perspective for numerous reasons. The fact that CPP replaced a prior Master Developer months after the execution of the HOPE VI Grant created problems. The outside counsel we routinely work with on an efficient basis was conflicted out because of representing the prior Master Developer. For negotiation of the Master Developer Agreement we retained a large prestigious national law firm. Unfortunately, the firm was not at all familiar with the Project. This lack of familiarity along with the urgency of the Project required CPP's in-house attorneys to negotiate the majority of the MDA. CPP has gotten no additional compensation for a very large amount of in-house legal work. The same scenario of intensive in-house legal work was required to meet HUD's tight time frames to complete the Master Developer Agreement has also been required in several areas specific to Phase I including overseeing the scattered site lot acquisitions and related matters.*
- c. **Site Acquisition:** *CPP has been overseeing and orchestrating all aspects of site acquisition for Phase I. This has been a very complicated process. As noted above, all Phase I homes are being constructed off-site, in predominantly non-contiguous, scattered sites in the Washington Park neighborhood. None of the required sites for Phase I were acquired from the WCHA or the City. Instead, the sites are being acquired through the oversight of CPP from individual private owners and the County of Winnebago and are being held in a land bank pending closing of Phase I. CPP had to first seek out and retain competent agents to individually contact the numerous individual private owners, some of which private owners were willing to sell their lots and some of which were not. In the general targeted Project area there are approximately 300 to 400 lots. CPP had to first create and open files for all potential lots in the target area. Research was then done on the potential lots before conveying that information and directing CPP's agents to contact lot owners. To this end, detailed maps and tracking systems had to be developed and constantly updated. Weekly meetings with the agents contacting the lot owners were also necessitated. In addition to dealing with private lot owners to acquire lots some lots were acquired through negotiations with Winnebago County. While this may intuitively seem like it would have facilitated the lot acquisition process, the reality is obtaining the Winnebago County lots required delicate negotiations, as relations with the past Winnebago County Board Chairman and the WCHA were contentious to the point of drawing significant attention in the news media.*

Additionally, because of agreements with the City it has been necessary to acquire and combine significantly more lots. To be clear, many smaller 40-foot lots are having to be combined to make the smaller lots into larger build able lots acceptable to the City. This is a very time consuming process in which CPP personnel have had to be intimately involved on a daily process with replatting and zoning issues and constantly updating the Project Site Map for replatted lots. Additionally, CPP has overseen the ordering of title work and closing on the required lots. Again, site acquisition is not a streamlined, seamless process when dealing with many different private property owners. Title issues have arisen requiring CPP's oversight and guidance to address.

- d. **Non-Contiguous Lots:** The Project involves the new construction of single-family homes on predominantly non-contiguous lots throughout the Washington Park neighborhood. This is likewise true of Phase I. As indicated above, the existing lots are owned by numerous different owners and, in most instances, need to be combined in order to result in buildable parcels, which meet City standards. CPP is responsible for overseeing lot acquisition activities, including the required combining of lots into legally buildable parcels. There are several additional reasons the non-contiguous nature of the lots makes the Project complex and less profitable for CPP. In many aspects it is as if entire blocks with existing homes, which will remain, are being redeveloped. For example, in many cases new infrastructure is being put in which requires easements not only for the lots being acquired, but also from lot owners with existing homes that will remain. This is a difficult time consuming process to oversee and orchestrate. Likewise, the neighborhood residents with existing homes that will remain have to be respected and dealt with on such delicate matters as if their property taxes will increase due to revitalization of the neighborhood generally, and other matters of importance such as how to phase the development so as to cause the least interruptions and inconvenience to existing neighborhood residents.
- e. **Environmental:** While fortunately there are no environmental issues to deal with for Phase I, the scattered site nature of the project in an existing neighborhood remains more challenging from an environmental aspect than a standard single site project. For example, CPP had to oversee the environmental site assessment for the entire neighborhood.
- f. **Political:** CPP is the replacement Master Developer for the Project. The political nature of this Project is well documented with numerous newspaper articles and inquiries into the Project. As I believe HUD is well aware news articles were being published on almost a daily basis, which were not flattering for the Project. In the last couple of months since CPP took over as Master Developer, these unflattering news articles have basically ceased due to the hard work of CPP and the WCHA. The Project's target area lies in both the City of Rockford and Winnebago County, which multiple jurisdiction aspect adds to the overall complexity of the Project. After being selected as the Master Developer, the political turmoil surrounding the Project greatly intensified. CPP in teamwork with the WCHA has worked very hard to turn the political situation from a contentious Meyer in which the Project was stalled into a Project we strongly believe to now have the political support of both local government and the community. To be clear, this took countless hours and extensive negotiations. When we first met with the City, the City wanted to support the Project but was skeptical based upon what we understood to be lack of cooperation and unfulfilled promises of the prior developer. CPP and the WCHA worked tirelessly to modify and adjust the Project parameters to help gain the City's continued support of the Project. When we first met with the County, the then County Chairperson in the first meeting was irate over misunderstandings she had with the WCHA. Through hard work and the tireless cooperation of the WCHA, we are confident the Project now enjoys the wide support of the community

and local government. As a long-term local Rockford real estate developer, CPP is concerned about its reputation in the community. CPP has taken a substantial risk in becoming Master Developer and in turning the course of the Project around and needs to be fairly compensated for this risk and great efforts expended.

- g. **New Infrastructure:** The Project and Phase I involve massive public infrastructure improvements. Most of the lots upon which the Project homes will be built do not currently have all required public infrastructure or such existing infrastructure is in a deteriorated condition. The public infrastructure improvements will include water, sewer, streets, lighting, and sidewalks to be installed where they currently do not exist or upgraded as needed where the current systems are deteriorated or outdated. A complex site plan has been developed identifying the locations of all the public infrastructure improvements for the Project. Again, the scattered site nature of the Project and Phase I contribute to the difficulty of designing and building the new infrastructure and improvements. The Project is completely different than projects involving extending infrastructure services to a single site or putting in infrastructure in a new subdivision. In such situations, the developer owns and controls the single site or all contiguous sites.
 - h. **Urgency of Project / Potential Risk of Default:** Clearly, CPP came into a difficult and risky situation when it became Master Developer for the Project. Not only was the political situation highly volatile as noted above, but also the Project was months behind. On top of this, it was very challenging to come in and take over as Master Developer when many of the revitalization parameters such as the single family and scattered site nature of the Project were already agreed upon and memorialized between HUD and the WCHA. CPP understood the necessity of honoring the core revitalization parameters and at the same time moving the Project rapidly ahead or be endanger of missing HUD deadlines and the potential loss of HOPE VI funds. It was made very clear to CPP that the Project had to move forward rapidly. HUD's seriousness as to the necessity of moving the Project rapidly forward has been made very clear from the assignment of a HUD liaison with whom CPP meets with weekly. CPP must be fairly compensated for this time pressure, urgency and associated risk.
6. **Deferral of Developer Fee:** CPP is highly committed to the success of the Project and to the success of Phase I. As a testament to CPP's commitment, CPP will not be taking any developer fees except from home sale proceeds when homes are sold. This helps Phase I by lowering the amount of funds needed during construction. This is a substantial and real risk being assumed by CPP. As noted above, since completion of the River West HOPE VI Homeownership project in Peoria, Illinois in 2001 only one of the thirty-two homes constructed have sold. While we do not at all believe this will prove to be the case with Phase I, it is an important lesson that development risks are real. To be clear, not only is CPP 100% personally guaranteeing the private construction loan for Phase I but CPP is also putting 100% of its developer fee at risk until the Phase I homes begin to sell. This is a substantial commitment and CPP is assuming substantial risks for which CPP must be fairly compensated.
7. **Relatively Small Dollar Amount of Developer Fees:** We understand that HUD's Cost Controls and Safe Harbor Standards primarily look to certain percentages to determine the reasonableness of proposed developer's fees. For small projects such as Phase I, we would suggest it is equally or more important to look to actual dollar amounts. The total projected developer fees for Phase I are \$861,810. While this may seem like a substantial amount of money, quite bluntly CPP for the following reasons would not be able to do a project such as Phase I for this fee if this were the only phase in the Project. Please note, out of the developer fee comes substantial overhead, which for Phase I alone will reduce the indicated developer fee by more than half. The overhead to run a

development firm such as CPP is substantial. Among other personnel, CPP has two full time attorneys on staff, a CPA, a financial analyst with a Masters Degree in Finance. CPP personnel also include managers with over fifteen years of extensive affordable housing development experience. Frankly, while these professional staff resources are very expensive Phase I and the Project generally for that matter would not be on track now without such professional staff. In addition to CPP's in house professional staff, CPP partnered with the National Equity Fund, Inc.'s Public Housing Group ("NEF") to provide specific and extensive HOPE VI expertise. A substantial portion of CPP's developer fee is being shared with NEF for this HOPE VI expertise. Equally important in determining the fairness of the developer fee amount is not only the substantial developer fee overhead but also the significant and real risks being assumed by CPP for this Phase I. CPP is not only leaving in all of its developer fee until homes begin to sell, but is 100% guarantying the private construction debt for Phase I estimated to be up to \$694,438. The net developer fee after paying CPP's overhead is small when compared to the substantial risks being assumed. The only reason CPP is able to develop Phase I for such a fee is because the Project involves multiple phases.

8. **Performing Many Developer and Non-Developer Related Tasks:** As a large national development company, CPP is able to draw upon a wide array of professional skill sets and provide the needed services to move Phase I rapidly forward. Candidly, because of knowledge of the overall Project and the short time frame and necessity of closing this year, some Phase I tasks which would normally be contracted out to attorneys and consultants as additional Project expenses are being done by CPP's professional staff which includes two attorneys and a CPA. In addition to all routine Master Developer tasks, CPP professional staff are overseeing and intimately involved with the following non-routine Master Developer Tasks: (i) legal and accounting work as noted throughout this section, and (ii) assisting WCHA on an on-going basis with all LOCCS and Bearing Points related activities.
9. **Foregone Opportunities:** When CPP management met with senior HUD management in Washington, we understood the urgent need to move Phase I and the Project rapidly forward. The only way CPP could meet these requirements was to utilize CPP's entire professional staff on Phase I. CPP made this commitment and has followed through by providing everything to HUD as promised in our Washington meeting with HUD management. CPP is a for-profit company. To satisfy the commitments we made to the WCHA and HUD to move Phase I forward, CPP has foregone many other profitable development opportunities because of the reality of limited professional staff. As such, CPP needs to be fairly compensated.

VIII. Pay-Out Schedule for Developer Fee/Overhead

- Purpose:** *To determine if the pay-out schedule is within the Homeownership Cost Control and Safe Harbor Standards, and that public housing funds are not paying for the developer fee.*
- Instructions:** *Describe for the specific project under review when the developer receives its fee and what source of funds pay for that fee. The percentages should total 100% and should be as defined in the Cost Control and Safe Harbor Standards. If the Developer is being reimbursed for overhead prior to closing, provide a justification in the space below the table.*

Description of when the developer receives fees and the source of funds for the fees:

Developer Fees will be paid based upon the following schedule:

- 1) At the mixed-finance closing, no developer fee/overhead amount will be paid.*
- 2) Upon the closing of each Project home with a homebuyer, a pro-rata share of the developer fee/overhead per home will be paid.*

No public housing funds will be used to pay for any developer fee/overhead amounts. The source of funds for developer fee/overhead amounts will be strictly and only from sales proceeds.

Justification for deviating from the Safe Harbor Standards (if applicable):

Not Applicable.

Justification for providing overhead to the developer prior to closing (if applicable):

Not Applicable.

IX. *Sharing of Third-Party Predevelopment Costs and Reimbursement Schedule*

Purpose: *To determine if the sharing of third-party predevelopment costs is within the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *Complete the following table for the specific phase under review. For each of the primary predevelopment costs indicate the percentages to be borne by the PHA and the developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.*

<i>Estimated Amount of Predevelopment Costs:</i>	<i>\$ 100,000</i>
<i>Length of Predevelopment Period:</i>	<i>6 Months</i>
<i>Percentage Borne by PHA:</i>	<i>75%</i>
<i>Percentage Borne by Developer:</i>	<i>25%</i>

Justification for PHA bearing greater than 75% of the predevelopment costs (if applicable):

Not Applicable.

X. Identity of Interest Parties

Purpose: *To determine if the Developer has an identity of interest with any parties involved in the homeownership project, and, if so, appropriate cost control measures have been completed as per the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *In the table below, disclose whether the Developer has an identity of interest with any party. For each identity of interest party, indicate what steps have been or will be taken to ensure cost competitiveness.*

Party	Related Entity?	Cost Control Measures Planned/Completed
<i>Builder/Contractor</i>	<i>X Yes <input type="checkbox"/> No</i>	<i>The project will adhere to HUD's Cost Control and Safe Harbor Guidelines of a maximum of 14% for the General Contractor (2%Overhead, 6% General Requirements, and 6% Profit); and the WCHA will be doing an independent cost certification.</i>
<i>Construction Manager</i>	<i><input type="checkbox"/> Yes X No</i>	<i>The use of a separate construction manager aside from the general contractor is not anticipated.</i>
<i>Construction Lender</i>	<i><input type="checkbox"/> Yes X No</i>	
<i>Broker</i>	<i><input type="checkbox"/> Yes X No</i>	
<i>Homeownership Counselor</i>	<i><input type="checkbox"/> Yes X No</i>	
<i>Master Site Planning</i>	<i>X Yes <input type="checkbox"/> No</i>	<i>Costs will be controlled through an Additional Services Agreement between CPP and WCHA. Actual fees to CPP are 20% less than what was budgeted for third parties to perform the same Master Site Planning activities.</i>

XI. Construction Fees

Purpose: *To determine if the construction fees are within the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *Fill in the following blanks to indicate the amount and percentage planned for contractor profit, overhead, and general conditions for the specific project under review. In the space below, describe how any construction savings will be allocated between the PHA and Developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.*

The amount and percentage for contractor's profit:

\$214,963 = 6%

The amount and percentage for contractor's overhead:

\$79,154 = 2%

The amount and percentage for contractor's general conditions:*

\$214,963 = 6%

The dollar amount of general contractor fees shown above are for the construction cost of the 26 For Sale homes, if general contractor does additional work it will be at the HUD approved general contractor fee percentage.

** If the homebuilder is receiving a developer fee, HUD's Cost Control and Safe Harbor Guidelines limit the homebuilder to 6% for contractor's general conditions, and 0% for profit and overhead.*

Justification for fees in excess of HUD Safe Harbor Standards (if applicable):

The proposed general contractor fee for Phase I is 14% (6% profit, 2% overhead and 6% general conditions). This is the industry wide accepted general contractor fee. Phase I is on a very fast track to meet HUD's deadlines of closing by October 1, 2004 and beginning construction of the homes by October 15, 2004 ("Phase I LOCCS Dates"). The Phase I LOCCS Dates can only be met, and quite frankly construction of the Project can only begin in 2004, if Star General Contractors, L.L.C. an affiliate of developer ("SGC") is the general contractor for Phase I. As Phase I is complex and has substantial risks for the general contractor guarantying the stipulated sum contract, SGC cannot serve as the general contractor for Phase I for less than the industry wide accepted general contractor fee amount. In addition to the urgency of meeting the Phase I LOCCS Dates, there are many other reasons justifying the proposed general contractor fee. A few of the reasons are highlighted below:

- 1. Within Safe Harbor for Rental Developments & Part of Business Terms with Housing Authority.** *The proposed general contractor fee for Phase I of 14% is within the current Cost Controls and Safe Harbor Standards for Rental Developments effective as of April 9, 2003. The current Cost Controls and Safe Harbor Standards for Homeownership Developments came out in April 2004, after the Master Developer Agreement was negotiated and executed between the Developer and the Housing Authority. The business deal entered into between the Developer and Housing Authority included the assumption of 14% general contractor fees for SGC.*
- 2. Urgency of Project / Potential Risk of Default:** *The general urgency of the Project and more specifically the necessity of getting homes in the ground in 2004, was made very clear to us by HUD management in a meeting earlier this year in Washington. As you know when CPP became the replacement Master Developer a few months ago, the Project had lost direction and was months if not a year behind schedule. We realized getting the Project back on track and getting homes in the ground in 2004 would be a difficult if not monumental challenge. Nonetheless, HUD management made it clear to us the Project had to move forward rapidly or risk the loss of HOPE VI funds. At the meeting in Washington, based upon discussions with HUD we made a very substantial commitment to use every resource we had available to meet the Phase I LOCCS Dates. An absolutely essential component to making the Phase I LOCCS Dates was utilizing SGC as the general contractor. As noted, SGC is an affiliate of developer. SGC has provided the development team with the absolutely needed resources to meet the Phase I LOCCS Dates. Following the meeting with HUD management in Washington, CPP immediately directed SGC personnel to begin reviewing the construction aspects of the Project. To date, SGC personnel have spent hundreds of hours to advance the Project. Specifically, SGC personnel have (i) met with City building department officials to discuss in depth City building code requirements, (ii) met with County building department officials to discuss in depth County building code requirements, (iii) reviewed and provided extensive input on the architectural plan development for the Project homes, (iv) surveyed the Project area identifying topographical and other challenges, (v) provided detailed construction cost estimates, (vi) contacted and met with numerous potential subcontractors, (vii) identified potential WBE and MBE subcontractors, and (viii) prepared a bidding plan. Based upon HUD's stated need that to get the "shovel in the ground in 2004", SGC has made a very substantial investment of its time and staff resources. SGC is prepared to begin soliciting bids from subcontractors for construction of the homes as soon as final architectural plans are completed, and to begin construction of homes for Phase I yet this Fall. No non-affiliated general contractor would have been willing to make the required investment of time and resources to advance the Project to meet the required HUD deadlines. SGC has already incurred considerable expense to date including the almost exclusive utilization of SGC's staff for the last several months on the Project. To be clear, SGC is only requesting being paid the industry wide accepted general contractor fee for its efforts which any other general contractor would be paid for Phase I. The industry wide general contractor fee of 14%*

is widely accepted for Identity of Interest General Contractors by other state and federal agencies. This is true for the Illinois Housing Development Authority and the

United States Department of Agriculture, Rural Development. SGC has a long history of working as an I.O.I. general contractor on projects funded by both of these agencies and is considered a professional and respected general contractor. The need for a cohesive team with an affiliated general contractor leading the construction efforts cannot be understated.

3. ***Phase I is Complex:*** *While the units in Phase I consist of single-family homes, Phase I is by no means a simple project justifying lower than standard general contractor fees. To the contrary, certain aspects of Phase I will substantially increase the required general contractor's oversight and expenses. The scattered-site, non-contiguous nature of Phase I multiply the general contractor's responsibilities compared to the construction of a single-site multi-family building with a comparable general contractor fee. Several examples of this multiplication of work are of note including the necessity of pulling a building permit for each home and going through the plan approval process multiple times for different home designs. Also each individual lot comes with a different set of issues to be addressed including such matters as tree clearing and drainage. The required additional daily oversight and coordination of the construction on 26 different sites for Phase I verses 1 site for a typical project will be substantial. SGC will have to commit at least twice the personnel to Phase I as it normally would to a single building project with the same general contractor fee. As Phase I involves federal funds, there are also substantial paperwork and reporting requirements to comply with including prevailing wages. The fact that Phase I is being built in an existing neighborhood will also require additional work. Work will need to be scheduled properly to respect the rights of existing Washington Park residents. As you know from the numerous newspaper articles about the Project earlier this year, many of which articles were not flattering, this is a politically sensitive Project. As the developer, CPP can only trust the required delicate interactions with existing residents to SGC and be assured matters will be properly handled. We cannot take a chance on such important matters with a general contractor who may well be completely competent from a bricks and mortar standpoint but we later discover is insensitive to the needs of area residents. There is no way for the developer to determine in advance whether a non-affiliated general contractor will deal appropriately with the needs of area residents. An insensitive general contractor could cause great damage to the Project. Working to meet the needs of existing area residents in a respectful manner requires additional effort and commitment on the part of the general contractor. Adding to the complexity of Phase I, is the amount of infrastructure improvements required. Most of the lots do not currently have all required public infrastructure or such existing infrastructure is in a deteriorated condition. The needed public infrastructure improvements will include water, sewer, streets, lighting, and sidewalks to be installed where they currently do not exist or upgraded as needed where the current systems are deteriorated or outdated. A complex site plan has been developed identifying the locations of all the public infrastructure improvements for the Project. Again, the scattered site nature of Phase I contributes to the difficulty of designing and building the new infrastructure and improvements. The Project is completely different than projects involving extending infrastructure services to a single site or putting in infrastructure in a new subdivision. In such situations, the developer owns and controls the single site or all contiguous sites. SGC needs to be paid the industry wide accepted general contractor fee for Phase I to take the necessary time to meet these requirements.*

- 4. Dollar Amount of General Contractor Fees Are Small:** Not only is Phase I complex due to its non-contiguous, scattered off-site nature and due to the multi-building aspect, but at 26 For-Sale homes Phase I is quite small from an efficiency standpoint. The additional time required for such matters as complying with prevailing wage reporting requirements cannot be spread over a large number of homes as such costs can be in larger projects with hundreds of homes. Another example of this inefficiency, is evident from the fact that there are a total of five different home plans each requiring countless hours of design input, review and consultation by SGC. If hundreds of homes were being built from these plans it would be far more efficient. Related to the general contractor fee amount, we understand that HUD's Cost Controls and Safe Harbor Standards primarily look to certain percentages to determine the reasonableness of proposed general contractor's fees. For small projects such as Phase I, we would suggest it is equally or more important to look to the actual dollar amounts. The total projected general contractor fees for home construction for Phase I are \$509,080. More than half of this fee goes toward substantial overhead and general requirement costs. SGC has several experienced staff members and is hiring more staff dedicated to the Project. Equally important in determining the fairness of the general contractor fee amount are the real risks being assumed by SGC. SGC's fee is based upon a guaranteed stipulated sum contract. What this means is that if SGC's estimated costs are too low or the costs of materials keep increasing after executing the general contractor contract all of SGC's fees are at risk of being lost. I am not sure if you are aware but the cost of building materials particularly lumber has and continues to be rising at an almost unprecedented rate. This is a very substantial risk particularly given the current market. From a numbers perspective, SGC is guarantying the cost of construction on a budget of several million dollars. If costs continue to rise as in past months, SGC's fees could be eliminated. Alternatively, if costs drop the savings above SGC's fees are returned to the Project. We believe no general contractor with prudent business sense would agree to assume such a substantial risk for less than the industry wide accepted general contractor fee amount. The amount of work for Phase I and the risks of rising material costs are far too great in the present market. Please also note that WCHA, per HUD requirements, will be doing an independent cost certification to assure HUD that the construction costs for Phase I, including SGC's fees, are reasonable and appropriate. SGC needs to be paid the industry wide accepted general contractor fee for Phase I to assume the substantial risks and to keep Phase I on track for homes in the ground this Fall.
- 5. Performing additional Non-General Contractor Related Tasks:** SGC is an experienced general contractor with staff having a wide array of professional skill sets available to be drawn upon. These skills have proved invaluable in moving Phase I rapidly forward. One of the members of SGC's professional staff has extensive single-family home building experience. He also possess an architectural degree and has been intimately involved in reviewing the architectural plans to make the homes more livable and to provide a good quality of life for many years. One suggestion among many others he came up with for the architect to consider was the use of a masonry fiber cement composite siding product for all the homes which product provides extended durability, low maintenance, has a Class 1 (A) fire rating, a 50-year transferable warranty, and blends nicely into the neighborhood of existing homes. This is just one example of the type of value added services SGC is providing to the Project.
- 6. Section 3, MBE and WBE Matters:** As the Master Developer for the Project, CPP takes its Section 3, MBE and WBE goals very seriously. We realize that the true value of the

HOPE VI program comes not only from building new homes but also comes from helping people build new lives. To meet CPP's Section 3, MBE and WBE goals, we have already looked into the possible Section 3, MBE and WBE general contractors that would be qualified and competitive to build Phase I. We have not found any such local contractors. We believe it is far more practical to meet our Section 3, MBE and WBE goals by having SGC serve as the general contractor and dividing the work into smaller amounts. By doing this, we are confident far more WBE and MBE qualified businesses can participate in Phase I.

7. **Foregone Opportunities:** *When CPP management met with senior HUD management in Washington, we understood the urgent need to move Phase I and the Project rapidly forward. The only way CPP could meet these requirements was to utilize CPP's and SGC's entire professional staffs on the Project. We have followed through on our commitment. SGC is a for-profit company. To satisfy the commitments we made to the WCHA and HUD to move Phase I forward, SGC has foregone many other profitable opportunities because of the reality of limited professional staff. As such, SGC needs to be fairly compensated. SGC cannot serve as general contractor and assume all the related risks for Phase I at less than half of the industry wide accepted general contractor fee. The Illinois Housing Development Authority and the United States Department of Agriculture, Rural Development accept as reasonable the industry wide accepted general contractor fee of 14% for Identity of Interest general contractors.*

Methodology for allocating construction savings:

Any construction cost savings after paying SGC its maximum permitted fees will go back into the project for additional improvements acceptable to the developer, housing authority and, if required, HUD, or will be reserved for other portions of the Champion Park HOPE VI Revitalization Project.

XII. Sales Proceeds and Fees to the PHA

- Purpose: *To determine if the PHA is in compliance with the restriction of use of resale proceeds and fees to further low income housing.*
- Instructions: *Sales proceeds are defined as proceeds realized by the owner entity/developer from the sale of homeownership units after the payments of the construction loan(s), the developer fee, and all other project costs have been satisfied. Answer the following questions in narrative form for the proposed homeownership project.*

After payment of all expenses, how are sale proceeds distributed?

Sales proceeds anticipated to be available at the closings of the individual homes to homebuyers will be used to repay construction financing, WCHA HOPE VI bridge financing and other budgeted Project costs, including developer fees (Please see also Attachment 2 for Exhibit F-1). Any sales proceeds above and beyond anticipated levels will be used for eligible program costs or for other low-income housing purposes, including other phases of the overall Champion Park HOPE VI Revitalization Project.

Complete the following table to indicate what fees (e.g., developer fee, loan administration fees, counseling agency fees, etc.), if any, are to be paid to the PHA or PHA affiliate.

Type of Fee/Description	Amount
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<i>PHA (WCHA) Developer Fee</i>	<i>\$ 166,613</i>
	<i>\$</i>
	<i>\$</i>

What are the expected sources of project income (e.g., repayments of loans, PHA development fees, etc.) and what is the PHA's planned use for this project income?

WCHA is expected to receive \$166,613 in development fees for this Phase I. WCHA plans to use any such project income for eligible program costs or for other low-income housing purposes, including for other phases of the overall Champion Park HOPE VI Revitalization Project.

XIII. Gains from Appreciation

Purpose: *To determine if the PHA's provisions (where applicable) adequately protect the PHA's investment in the homeownership project.*

Instructions: *If a PHA is writing down the cost of construction (e.g., the construction cost exceeds the sale price/appraised value), it must consider a provision in its homeownership project to recapture all, some or none of the gains from appreciation. This provision limits the amount the subsidized original purchasers can realize due to appreciation of the property upon sale for a period of time, and is generally recorded in a deed restriction. The PHA's recapture policy on appreciation may range from no recapture to recapture of total appreciation. This provision only applies to the sharing of sale proceeds and does not address the recapture of financing that the PHA may elect to provide directly to a purchaser.*

If applicable, describe how the PHA will treat the gain upon resale that the subsidized buyer can realize due to appreciation of property.

It is anticipated that this Appreciation provision will be filed as a restricted covenant so as to cover the original purchaser as well as all subsequent buyers. From this point forward, the term appreciation shall be determined as "proceeds from the sale of the home that are net of the payoff of all debt recorded against the real estate, the seller's original downpayment that came from their personal funds, the seller's equity defined as the difference between the original principal balance of all of the debt secured by the real estate and the respective payoff amounts, and 50% of the value of all improvements made by the owner that can be substantiated by a receipt from a third party contractor". In years 1-2 from the date of the first sale of the home, 100% of Appreciation will be returned to the Winnebago County Housing Authority (WCHA). After year 2, all of the Appreciation will remain with the seller.

XIV. Recapture Provisions

Purpose: *To determine if the proposed recapture provisions (where applicable) are appropriate for the target purchasers, are coordinated with direct financing terms of local partnering affordable homeownership programs, and adequately protect the PHA's and purchasers' investments in the homeownership project.*

Instructions: *The PHA must set a policy regarding recapture upon resale of government-provided*

assistance and/or direct financing made to the purchaser to the extent that there are net proceeds. This includes the PHA downpayment, closing cost assistance, subordinate mortgage financing, or below-market financing (e.g., sale the unit for less than appraised value of the home). However, this policy may range from no recapture of assistance to full recapture of assistance.

If applicable, describe the terms of the direct financing to purchasers and terms of recapture. Describe also the method of recapture (e.g., via a promissory note). If the PHA chooses to forgive the direct financing over time, fill out the table below as applicable. (Table may be modified to reflect longer-term or shorter-term forgiveness schedule).

If there is additional direct financing from participating local affordable homeownership program partners, briefly describe the terms of their direct financing and amount of direct financing per purchaser. Describe how the PHA's direct financing terms coordinate with the local program partners' financing terms.

Repayment of the direct assistance made to an individual buyer, in the form of a permanent second mortgage, will be net of the repayment of the first mortgage and the seller's equity in the home. As a benefit for remaining in the home, second mortgage forgiveness will be structured at a rate of 20% per year from year 1t after the date of the first sale, through year 5. After year 5, the second mortgage will be considered fully satisfied.

In the event the owner sells the home in years 1-5 from the date of the original purchase, WCHA will take 100% of the proceeds, up to the payoff amount of the second mortgage, net of the satisfaction of the first mortgage, the repayment of sellers personal funds that were used for a downpayment, and 50% of all improvements made by the owner that can be substantiated by a receipt from a third party contractor (Net Proceeds). .

Year of Resale	Rate of Forgiveness*
1	20%
2	20%
3	20%
4	20%
5	20%
	%
	%
	%
	%

*Note: A PHA may forgive 100% in any year.

XV. Purchaser Eligibility Requirements

Purpose: *To provide HUD with an understanding of the PHA's priorities for project purchasers and restrictions on purchaser eligibility.*

Instructions: *Complete the following information on purchaser requirements.*

Minimum purchaser income amount and percentage of AMI:

\$12,570 = 30% (Based upon a household size of 1)

Maximum purchaser income amount and percentage of AMI:

\$63,150 = 80% (Based upon a household size of 8)

Minimum downpayment amount or percentage of purchase price from purchaser's own funds:

1% of sales price with a minimum of \$500.

Describe process for income eligibility.

The Winnebago County Housing Authority (WCHA) will be responsible for pre-qualifying homebuyers. WCHA will work with the University of Illinois Extension to pre-qualify homebuyers and certify that the applicant's annual household income is between 30% and 80% of AMI adjusted for family size. WCHA will also work with local financial institutions to pre-qualify and pre-approve prospective homebuyers for mortgages.

Describe priorities for selection of purchasers (e.g. residency).

Homes will be offered for sale on a First-Come-First Served/Buy Basis ("FCFB"), subject to homebuyers meeting overall eligibility requirements outlined as follows:

- *Eligible Purchasers must have annual household income of at least 30% of AMI and not more than 80% of AMI, adjusted for family size.*
- *The home sold to an eligible household must be used as the principal residence of the household and cannot be rented or leased.*
- *Each eligible household purchasing a home must use its own resources to contribute an amount of the downpayment that is not less than one percent (1%) of the purchase price, unless the first mortgage is originated or held by a State or unit of general local government under a loan program of the State or unit of general local government, and the program provides for a lower downpayment. The remaining amount can be paid from other sources, including HOPE VI funds.*
- *The purchaser must meet affordability standards (housing ratios) established by the permanent lender selected by the homebuyer and which are customary in the industry.*
- *22 out of the 26 homes being developed as part of the Project must be purchased by eligible homebuyers who meet the definition of a "first-time homebuyer". A first-time homebuyer is an individual who meets any of the following criteria:*
 - 1) *An individual and his or her spouse who have not owned a home during the three-year period prior to the date of purchase of a home.*
 - 2) *A divorced or legally separated individual who has only owned a home with a (former) spouse.*
 - 3) *An individual who has only owned a property that was not in compliance with State, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- *Participation in a homeownership counseling program.*
- *Prospective homebuyer has been pre-approved for financing from a financial institution in an amount necessary to qualify for the desired home.*

With regards to prioritization, when more than one Offer to Purchase from qualified homebuyers (based upon the preceding eligibility requirements) is pending on a given Project home the priorities for selecting the homebuyer will be as follows:

- 1) *Current or former Champion Park resident.*
- 2) *Participation with the Winnebago County Housing Authority's Section 8(y) Housing Choice Voucher Program.*
- 3) *Current target area resident.*
- 4) *Requires less WCHA HOPE VI Second Mortgage Funds.*
- 5) *Shortest closing timeframe.*

Describe income tiering structure for eligible program purchasers (if applicable). How many homes will be set aside for each tier?

All 26 homes being developed in Phase I will be set-aside for households with annual household incomes at or below 80% of AMI. Five (5) of the 26 homes will be further set aside for households with annual household income at or below 60% AMI, per requirements of an Affordable Housing Program Grant (AHP) the Project has received from the Federal Home Loan Bank of Chicago for Phase I.

However, the Project will attempt to reach lower income tiers than described above through the use of the WCHA HOPE VI Second Mortgage Program, which is described in Attachment 22. The goal will be to reach households having annual household income starting at approximately 30% of AMI. The Mortgage Analysis provided in Attachment 4 represents the income targeting which could be attainable with the use of the WCHA HOPE VI Second Mortgage Program as a “most likely scenario” and which differs from the minimum targeting commitment described above.

Describe any additional requirements.

None.

XVI. Additional Information on the Project

Instructions: *In narrative form, provide any additional information on the project and business terms of which HUD should be aware when reviewing the terms for this phase. Such issues might include:*

- *Unusual programs or fee structures HUD will need to evaluate;*
- *Justifications for any fees or structures proposed outside of HUD’s Cost Control and Safe Harbor limitations;*
- *Effect of a consent decree on the homeownership project;*
- *Restrictions upon the resale of homes (e.g., resale restriction stipulating that the homes must be sold to a low-income purchaser within 30 years of initial sale of home);*
- *Market concerns and plan for mitigation;*
- *Homeowner’s Association and requirements;*
- *Any non-residential or mixed uses such as community or commercial buildings;*
- *Use of public housing funds as bridge loan; and/or*
- *Other circumstances that will result in unusual terms or the need for a delayed or accelerated closing.*

Narrative on additional project/phase information:

Champion Park Partners’ HOPE VI Implementation Plan flows from Champion Park Partners’ business methodology, which can be summarized best as follows:

Make sure that all underwriting assumptions are reasonable and achievable, and then out perform one's commitments. When acting, act swiftly and decisively while always paying attention to the details. Obtain immediate momentum and success, which will then inspire and generate further successes. Always remain flexible, as changes will occur beyond one's control. Listen closely and attentively to one's partners, and accommodate them to the best of one's abilities, while not endangering the project's overall success. Finally the HOPE VI program goals for Section 3, WBE and MBE participation are equally important to the building of bricks and mortar.

These are Champion Park Partners' ("CPP") beliefs and goals. The next few paragraphs deal more specifically with the implementation of CPP's beliefs and goals to the Champion Park Revitalization.

CPP's Plan is based upon the reality that WCHA's vision (now incorporated into the Grant Agreement with HUD) of a decentralized neighborhood consisting of single family For-Sale and Rental homes needs to be respected. Likewise, CPP's Plan is based upon the reality that the existing market forces controlling initial home sale prices and initial home rental rates in the Washington Park neighborhood must be understood and respected. The good news is that even given these realities, WCHA's vision is achievable. If CPP did not strongly believe this to be the case, and likewise believe in WCHA's commitment to the revitalization, CPP would not be willing to serve as the Master Developer. CPP's Plan to implement WCHA's vision is based upon quickly obtaining achievable success to build momentum. These are the keys to the Revitalization. Additionally, CPP recognizes the long-term viability of the project comes from a sustained neighborhood-wide revitalization. This is true with regard to all HOPE VI projects, if not all neighborhood revitalizations in general.

As stated above, CPP is confident that WCHA's vision of meeting the minimum Public Housing replacement units, as outlined in the Grant Agreement, through single-family For-Sale and Rental homes on scattered sites throughout the Washington Park neighborhood can and will become a reality. The most important refinements CPP is implementing in comparison to parameters outlined in the HOPE VI Grant Application involve the timing of the phases (immediate impact), utilization of HOPE VI funds earlier in the revitalization (to achieve momentum), and the scope of the revitalization (broader and longer term) to sustain the revitalization. Because CPP is local, its personnel have made numerous site visits, spending countless hours in the neighborhood studying, reflecting and analyzing how best to implement a successful plan. Based upon that review and consultation with our professionals, we have developed the following Plan in conjunction with the WCHA. A synopsis of the proposed Revitalization Plan is as follows:

Phase I – Substantial Infrastructure Improvements, Washington Park Community Center Improvements (which will house, among other things, the CSS Program and the Neighborhood Networks), and 26 For-Sale Homes & Site Improvements.

Phase II – 52 Rental Homes & Site Improvements

(Upon completion of Phases I and II, the Authority will have met the minimum Public Housing Replacement unit requirements of the Grant Agreement)

Phase III – Commercial Revitalization (non-HOPE VI phase and no HOPE VI funds to be utilized)

Phase IV – 26 For-Sale Homes, Site Improvements & Demolition of Champion Park

Phase V – 26 Rental Homes & Site Improvements (no HOPE VI funds currently budgeted)

Phase VI – 26 Rental Homes & Site Improvements (no HOPE VI funds currently budgeted)

Phase VII – Demolition of Concord Commons / Construction of Washington Park Senior Apartments (non-HOPE VI phase and no HOPE VI funds to be utilized).

Phase VIII – 24 For-Sale Homes & Site Improvements (non-HOPE VI phase and no HOPE VI funds to be utilized).

Phases III, VII and VIII do not involve any HOPE VI funds and are subject to numerous contingencies. Developer plans to use reasonable efforts to accomplish these phases, consistent with the Revitalization Plan.

Key to the success of the entire revitalization is the success of the early phases. An immediate positive change in the perception of the neighborhood (partly from significant infrastructure improvements) is critical to draw interest to the neighborhood from prospective market rate buyers and renters. Momentum is also critical for HUD (and other agencies such as IHDA) to understand that the loss of the prior Master Developer has not endangered the project, and to keep all development partners, community stakeholders and the general Winnebago County community enthusiastic about the project.

To achieve immediate momentum and success, CPP proposes that Phases I, II, and IV be structured to include the construction of the majority of the infrastructure improvements (approx. \$4.0 Million) for the entire neighborhood, substantial neighborhood-wide site cleanup, an effort to simultaneously begin the construction of 26 For-Sale homes and the 52 units of Rental homes, and improvements to the Washington Park Community Center. Substantial infrastructure and neighborhood site cleanup will have both an immediate visual and actual impact. Construction of For-Sale homes in Phase I will allow WCHA to achieve a change to the neighborhood within 12 to 24 months.

Phase I's success is dependent upon the marketability of the constructed For-Sale homes. The Phase I homes need to sell at their appraised values on the timeline projected to HUD. CPP's Plan assumes a more realistic sales price assumption than WCHA's prior Developer, and allows for an "adjustment mechanism" to accommodate all able and willing home purchasers on a First-Come-First-Buy ("FCFB") basis. This is the aspect of CPP's Plan that most fundamentally differs from the plan as set forth in the HOPE VI Application. Briefly, the "adjustment mechanism" CPP proposes to accommodate buyers on a FCFB basis is an affordability pool of HOPE VI forgivable second mortgage funds to be allocated and drawn upon either in the first and/or second For-Sale Phases. (Please see attachment 22 for a description of the WCHA HOPE VI Second Mortgage Program) CPP's Plan targets buyers with average household annual incomes ranging from between 30% and 50% of AMI, but will also accommodate some families with lower or higher annual incomes. To be clear, CPP's plan does not discount the home sale prices below their appraised values. The proposed Adjustment Mechanism simply makes the homes affordable based upon the actual needs of the prospective buyers.

CPP's Plan for Phase II involves the development of 52 rental homes. The rental homes will be inter-mixed with the for-sale homes, and located throughout the Washington Park neighborhood. The homes will have designs and features consistent with the for-sale homes. CPP's unit breakdown for the 52 rental homes in Phase II is: (13) 2-bedrooms, (31) 3-bedrooms, (6) 4-bedrooms and (2) 5-bedrooms. A total of 41 of the homes will be considered ACC units. The remaining 11 homes will be developed without public housing capital assistance as non-public housing units and will be available to households with annual incomes at or below 60% of County Median Income, thus qualifying under IHDA's tax credit program. Low Income Housing Tax Credits ("LIHTC") are targeted as a key financing mechanism for this phase, along with HOPE VI funds. These 11 units will receive project based housing choice vouchers from the WCHA.

CPP envisions that the rental homes would be affirmatively marketed in a partnership between the WCHA and Professional Property Management, L.L.C. ("PPM")

and in conjunction with project partners and community stakeholders. PPM is the management affiliate of CPP. Phase II is expected to start in late 2004 upon receiving an award of LIHTC's from IHDA. CPP believes, based upon our self-scoring of the project against IHDA's Qualified Allocation Plan, that it is very likely the needed allocation of LIHTC's will be obtained from IHDA. There are several key point-scoring areas in which the project will score very high. From a market standpoint, the project will score better than the previous developer's application to IHDA, as the projected rents are lower than previously submitted. Significant points will be awarded in IHDA's "Live Near Work" point scoring category. There has been tremendous support for the project from local employers. The development team should score very highly as its members have an excellent reputation with IHDA. Also, several of the units are being designated for special needs residents. Not only is there great demand for special needs homes, but the project will also be awarded significant points in this category.

CPP's Phase IV represents the second phase of for-sale homes and will consist of a total of 26 homes. The 26 homes will be located in the Washington Park Neighborhood consistent with final Master Site Planning. This phase will have (2) 2-bedroom, (19) 3-bedroom, (2) 4-bedroom and (3) 5-bedroom homes and feature designs and amenities as previously described. CPP expects to refine its building designs created in Phase I over time based upon any feedback from the purchasers of those homes.

CPP has used the same \$65,000 forecasted sale price for Phase IV homes as was used in Phase I for budgeting purposes. However, it is expected that appraised values will climb in the Washington Park neighborhood as revitalization efforts take place. Therefore, any savings resulting from a reduction in the amount of funds required from the WCHA's HOPE VI Homeownership Second Mortgage Program, can potentially be utilized and leveraged in other areas. As with Phase I, Phase IV Plans call for the creation of 26 homes developed with public housing capital assistance being available to households with annual incomes at or below 80% CMI. The WCHA HOPE VI Homeownership Second Mortgage Program (Attachment 22) would also be utilized in this Phase, providing the vehicle to allow buyers with annual household incomes ranging between approximately 30% and 50% of AMI to afford the homes, but with the flexibility to accommodate homebuyers both above and below this range, within limits.

CPP strongly feels that to achieve sustained neighborhood-wide revitalization, substantial visual improvements to the neighborhood are required to change both the perceptions and the realities of the target area. These changes include the elimination of the blighting influences of numerous vacant lots, improving deteriorated or installing lacking public infrastructure, and adding a few essential retail opportunities, among others. In order for conventional market forces to become effective in the neighborhood, a significant catalyst is needed to quickly achieve success and build momentum, interest and hope. The catalyst is the HOPE VI funds being utilized in Phases I, II and IV, for without these funds, substantial required improvements will not occur and traditional market conditions will not begin to function. The implementation of the development and financing plans as presented in the Revitalization Plan will provide the core activities to permit market forces to begin functioning, resulting in an improved neighborhood, which can then begin to support additional development Phases, as outlined below.

Phase V of CPP's Plan involves the creation of 26 additional rental homes (25% of the total of 104 rental homes). The location of these homes will be consistent with final Master Site Planning. The homes will have designs and features consistent with for-sale homes.

CPP's unit breakdown for the 26 rental units in Phase V is anticipated to be as follows, and is subject to change based on feedback from the prior rental Phase II:

- (18) 2-bedrooms

- (3) 3-bedrooms
- (5) 4-bedrooms

CPP does not plan to use any HOPE VI funds in the development of the 26 rental homes in Phase V. As such, this Phase will not include any ACC homes, which have all been developed in prior Phases. All 26 homes in Phase V will be targeted to households with annual incomes at or below 60% of County Median Income (“CMI”). It is CPP’s belief that as visual improvements take place over time in the Washington Park neighborhood, the market will be able to support higher rent levels. However, CPP asserts that 60% CMI rent levels are at the top end of achievable market rents and therefore, should be considered as market rents. Some lower income targeting is anticipated as well, with 20% of the units being set aside for households with annual incomes at or below 40% of CMI. Completion of Phase II, the first rental-home phase, will provide valuable insight on any necessary changes to Phase V. The net result is that all 26 homes will qualify under IHDA’s Tax Credit Program, which is key to financing this Phase. No HOPE VI funds are used in this Phase.

Phase VI of CPP’s Plan is the last single-family home rental phase and involves the building of 26 additional rental homes (25% of the total of 104 rental homes). The location of these homes will be consistent with final Master Site Planning. The homes will have designs and features consistent with for-sale homes.

CPP’s unit breakdown for the 26 rental units in Phase VI is:

- (18) 2-bedrooms
- (4) 3-bedroom
- (4) 4-bedrooms

Like Phase V, CPP does not plan to use any HOPE VI funds in the development of the 26 rental homes in Phase VI. As such, Phase VI will not include any ACC homes, which have already been developed in prior Phases. All 26 homes in Phase VI will be targeted to households with annual incomes at or below 60% of CMI. It is CPP’s belief that rent levels proposed by the previous Master Developer for the Champion Park HOPE VI Revitalization were overly optimistic and far exceeded realistic market rents. It is CPP’s belief that as visual improvements take place over time in the Washington Park neighborhood, the market will support higher rent levels. However, CPP asserts that 60% CMI rent levels are at the top end of achievable market rents and therefore should be considered as market rents. Some lower income targeting is anticipated as well with 20% of the units being set aside for households with annual incomes at or below 40% of CMI. Completion of Phase V, the second home-rental Phase, will provide valuable insight on any necessary changes to Phase VI.

The net result is that all 26 homes will qualify under IHDA’s Tax Credit Program, which is key to financing this Phase. No HOPE VI funds are used in this Phase.

Sustained neighborhood-wide revitalization must be achieved for the Champion Park HOPE VI Revitalization to be successful over the long-term. CPP is committed to this effort. CPP believes the long-term success and viability of Champion Park HOPE VI Revitalization must address three neighborhood-wide areas of concern. These concerns are: (i) an almost complete lack of retail services, (ii) the abundant crime problems associated with Concord Commons, and (iii) the need for sustained growth of the neighborhood (both families and seniors). To this end, CPP’s Plan adds three new non-HOPE VI phases to the planned revitalization which were not previously addressed by the prior Developer. They are as follows:

Phase III is considered as a non-HOPE VI phase without the use of HOPE VI funds involving bringing desperately needed retail services to the neighborhood. If residents have to run across town to pick up incidentals such as milk or a prescription, the desirability of the neighborhood suffers. CPP has contacted and met with a local developer of Walgreen’s. A Walgreen’s, or similar retailer, developed in the

Washington Park / West State Street area would greatly benefit the overall Champion Park HOPE VI Revitalization. CPP is confident that through working in cooperation with Winnebago County, the City of Rockford and the WCHA, a Walgreen's type store could be developed off West State Street. CPP will not charge a fee for this effort, but understands the importance for the neighborhood revitalization. Therefore, CPP will commit to taking steps to make this a reality.

Phase VII is considered as a non-HOPE VI phase without the use of HOPE VI funds involving addressing the crime-ridden Concord Commons and simultaneously bringing affordable housing to seniors in the neighborhood. While there are many challenges involved, CPP's Plan involves working with the Rockford Housing Authority, City of Rockford and HUD to acquire and demolish Concord Commons. The current residents would be relocated through plans to be negotiated with HUD to other community affordable housing projects and throughout the Washington Park neighborhood. Following the demolition of Concord Commons, a senior affordable housing project (Washington Park Senior Apartments) containing approximately 90 units and including underground parking (for convenience and safety) along with other amenities is proposed to be constructed. There are many challenges, but we have recently built such a senior complex with these amenities and know that it is more than a possibility. Frankly, the efforts of the WCHA in obtaining the HOPE VI Grant are a testament to the fact that substantial challenges can be overcome. It is not anticipated that any HOPE VI funds will be used for this transaction and that Phase VII will be attempted using our knowledge, skills, creativity, efforts and our working relationship with HUD. CPP has had positive preliminary discussions with the Rockford Housing Authority. Living in the community, we realize that addressing the Concord Commons situation is a cornerstone to the success of revitalizing the neighborhood. We further understand that HUD, by approving the Revitalization Plan, is making no commitment to be part of this Phase, but is rather acknowledging that this is one of the goals of this Revitalization Plan and that the details may or may not be resolved with respect to this Phase.

Phase VIII is considered as a non-HOPE VI phase without the use of HOPE VI funds involving the continuation of the original Washington Park revitalization plans as reflected in earlier Hope VI applications by the WCHA, which were not funded. Specifically, we are hopeful that more market rate For-Sale homes can and will be developed throughout the Washington Park neighborhood once infrastructure improvements are made and a market is created. CPP's Phase VIII involves building an additional 24-market rate For Sale homes. While Phases III, VII and VIII are conceptual and subject to change based on future market realities, CPP is confident that the successful revitalization of the Washington Park neighborhood needs to be led by a local Master Developer committed to the area. As a large affordable housing developer with its headquarters in Rockford, CPP is committed to the Rockford area and willing to make a commitment to the revitalization effort started by the WCHA. To reiterate, Phases III, VII and VIII do not involve any HOPE VI funds and are subject to numerous contingencies. Developer plans to use reasonable efforts to accomplish these phases, consistent with the Revitalization Plan.

Summary

In conclusion, CPP believes it has crafted a well thought out development plan, which achieves and actually exceeds the overall goals and objectives (including unit count) as set forth in the HOPE VI Grant Agreement. The plan incorporates key aspects of the Master Site Planning and Building Designs completed to date and supported by WCHA and community partners and stakeholders, with refinements and modifications CPP has deemed appropriate. CPP is confident that the plan can be achieved and will provide the opportunity for success of the WCHA Revitalization.

D. Attachments

All PHA's submitting this term sheet should include the following attachments:

1. *Unit Mix Worksheet.*
2. *Construction and Permanent F budgets.*
3. *Sales Financing Schedule Worksheet.*
4. *PHA Mortgage Analysis (if applicable).*
5. *Schedule of Monthly Flow of Funds.*
6. *TDC Worksheets for Construction financing and Permanent financing.*
7. *Market Study. The PHA should submit a market study if applicable as described in Section C (V) of this document.*
8. *Site plan on 8.5 x 11" paper.*
9. *Certification of URA compliance or Relocation Requirements under Section 18 (if not previously submitted to HUD).*
10. *Additional Information. The PHA should submit any additional information requested by HUD to more fully describe any aspect of the homeownership proposal, including schematic drawings and designs of the proposed building and unit plans.*

E. Documents

In addition to the term sheet and attachments described above, the following documents must also be submitted to HUD prior to closing in order to obtain full approval of the PHA's homeownership proposal.

Documents Required by HUD at Construction or Financial Closing

1. *Housing Authority Certifications and Assurances for Projects Involving Homeownership Units (Form document to be released April 1, 2004).*
2. *HOPE VI Grant Addendum and Exhibits or Homeownership ACC Amendment and Exhibits (both in standard form).*
3. *Updated Homeownership Term Sheet.*

Documents Required by HUD Prior to Release of Funds

1. Housing Authority Pre-Funding Certifications (Form document to be released April 1, 2004).
2. Declaration of Restrictive Covenants (recorded first and in standard form).
3. Executed HOPE VI Grant Addendum and Exhibits or Homeownership ACC Amendment and Exhibits.
4. Updated Homeownership Term Sheet (if amended since last submission).
5. Legal Opinion (in standard form).

F. HUD Monitoring

At any point, HUD may request to review the executed legal documents associated with a phase closing.

HOPE VI Homeownership Term Sheet, Phase IV

This term sheet should be completed by PHAs proposing to use public housing funds for new construction, substantial rehabilitation, or direct financing to purchasers of non-public housing, for-sale homes. These activities are governed by the Middle-Income, formerly known as the Nehemiah-like, homeownership program guidance and Section 24(d)(1)(j) and Section 9(d)(1)(j) of the 1937 Housing Act (also known as Section 24/9). For PHAs proposing new construction, substantial rehabilitation, acquisition or direct financing to purchasers of non-public housing, for-sale homes, the homeownership proposal is comprised of this term sheet and submission of attachments listed at the end of this document. A PHA does not need to also submit a Homeownership Plan.

Those PHAs wishing construct public housing for sale to purchasers (including lease-purchase) should complete a Development Proposal to be submitted to the HUD Field Office and a Homeownership Plan in accordance with the Section 32 regulations found at 24 CFR 906, and submit the Section 32 Plan to HUD's Special Applications Center. PHAs proposing a Section 8(y) Housing Choice Voucher program should amend their Housing Choice Voucher Administrative Plans, and do not need to

complete this term sheet. For a complete description of the Middle-Income, Section 24/9, and Section 32, Section 8(y) programs, refer to *Some Homeownership Guidelines for PHAs* found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_guide.pdf For additional guidance, refer to HUD's Cost Control and Safe Harbor Guidelines for Homeownership found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf

This term sheet consists of five sections, and should be completed by the PHA for submission to the HUD Grant Manager for presentation to the Project Review Panel. If the PHA wishes to provide information relevant to its proposed homeownership project that is not specifically solicited in this term sheet, please include this information in Section C (XVII), Additional Information on the Project. Upon review by the Project Review Panel and the HUD Grant Manager's request, the PHA should then submit required documents listed at the end of this term sheet. This term sheet contains the following five sections:

Homeownership Project Summary: Check boxes and a brief narrative description of the homeownership project.

Roles and Responsibilities: A description of project partners and their roles and responsibilities.

Statement of Terms: A description of the project terms between the PHA and other parties for the specific project under review.

Attachments: Documents that should be included with the initial submission of the term sheet to HUD.

Documents: Documents that must be submitted prior to obtaining HUD approval of, and release of funds for, the proposed homeownership project.

A. Homeownership Project Summary

Purpose: *To provide a brief summary description of the homeownership project under review.*

Instructions: *Check only one box indicating the homeownership program type and any activities that apply under that program. If the PHA wishes to implement more than one kind of homeownership program (e.g., Middle-Income and Section 24/9), the PHA must submit separate term sheets for each project proposed. For your reference, Some Homeownership Guidelines for PHAs offers detailed descriptions of each homeownership program listed below, definitions of terms, and explanations of homeownership proposal provisions. This document can be found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_guide.pdf*

- ☐ **Middle-Income**
- ☐ New Construction
 - ☐ Substantial Rehabilitation
 - ☐ Acquisition (if checked, then Substantial Rehabilitation must also be checked)
 - ☐ Direct Financing to Purchasers

X Section 24/9

- X** New Construction
- ☐ Rehabilitation
- ☐ Acquisition
- ☐ Direct Financing to Purchasers

Is the homeownership project providing only subordinate mortgages?

- ☐ Yes (If yes, only complete Sections A., B., C. (I and VIII-XII), D. (2 (Permanent Only), 4, 6 (Permanent Only), 9 and 10) and E. (excluding Declaration requirement for Funding #2) of this Term Sheet, as needed.)

Instructions: *Provide a brief narrative that describes the homeownership project to be reviewed. Include the following information:*

- *The overall unit count broken down by unit type (e.g. affordable, market);*
- *The building type(s) being constructed and/or financed (e.g., row, elevator, detached/semi-detached, walk-up, etc.);*
- *Sources of funding;*
- *Development cost per unit and Sales Price per unit;*
- *The names of the major partners; and*
- *Any unusual features of the project (e.g., a land swap, scattered site acquisition and development, etc.).*

Name of PHA:	Winnebago County Housing Authority		
Name of Phase/Development:	Champion Park Revitalization – Phase IV		
HOPE VI Grant No./Development Project No.:	IL-06-URD-083-I102		
Contact Name:	Alan Zais		
Contact Phone No.:	815/963-2133, Ext. 11		
Narrative:	See Below		

Champion Park Phase IV – (26 homeownership units)

CPP's Plan includes building on its existing aggressive strategy to create swift and positive changes in both the perception of the area, and its physical appearance. Key activities to be accomplished in connection with Phase IV include:

- Complete construction of substantial infrastructure improvements begun in Phase I consistent with the Master Site Plan.
- Completion of final architectural plans for the 26 for-sale homes to be built.
- Neighborhood streetscape improvements.
- Intensive neighborhood/site clean-up effort regarding debris, eyesores and overgrown bushes and trees.
- Construction (including site improvements) of 26 single-family for-sale homes.
- Demolition of the Champion Park Apartments.

Specific aspects of CPP's Phase IV Plans are:

Home Design and Features

CPP is proposing various home designs and features in an array of housing types that reflect the characteristics of the Washington Park neighborhood and will include amenities desired by current and future residents.

As part of its Development Team, CPP has partnered with the HOPE VI Award Winning Architectural Firm of AG Architecture ("AG"). AG has spent considerable time in the Washington Park neighborhood in order to fully understand existing conditions and architectural design elements in the target area.

Based upon its research and experience, as well as input and feedback from CPP and WCHA, AG has initially created four home designs, which properly express the community's vision for design and Marketplace expectations. Design parameters include:

- Energy Efficient Construction
- Porches
- Basements
- Attached Garages
- Ranges
- Refrigerators
- Dishwashers
- Disposal
- Central Air
- Washer/Dryer Hook-ups
- Window Treatments

- Carpeting
- Wired For Cable/Internet

The home designs for Phase IV are summarized as follows:

Building Type	No. of Units	No. of Bedrooms	No. of Baths	Square Footage	No. of Bedrooms
Ranch	3	3	1.0	1377	9
2-Story	11	3	1.5	1518	33
2-Story	7	4	2.0	1535	28
2-Story	5	5	2.0	1632	25
TOTAL	26				95

CPP and WCHA have taken significant steps to ensure the homes are as accessible, adaptable, and visitable as feasible. Phase IV has three, four, and five bedroom 2-story designs, as well as a 3-bedroom ranch design that include significant accessible, adaptability and visitability features. The following features will be included in all 2-story designs:

- First floor bathrooms and kitchens with proper turn radiuses for people in wheel chairs.
- All bathrooms will contain reinforcement (blocking) for the future installation of grab bars.
- Light switches, outlets, controls, etc. will be in accessible locations.
- An accessible route through the dwelling unit by providing a 32" clear opening in all bathroom and interior doorways.
- The Project has a goal of having 100% of the homes with at least one accessible route into the homes. However, the actual percentage may be less than 100% due to individual site-specific issues.

Income Mix and Marketing

A key factor in the success of CPP's Plan is the ability to demonstrate re-investment in the Washington Park neighborhood resulting in visible changes. Based upon CPP's knowledge of the Marketplace and Phase I findings and results to date, CPP has devised a strategy to attract potential homebuyers of various incomes, while also being able to offer homes for sale that are affordable to households already living in the Washington Park neighborhood.

Specifically, CPP is proposing to construct 26 single-family homes in Phase IV. This phase will have (14) 3-bedroom, (7) 4-bedroom and (5) 5-bedroom homes and be

sold for their actual appraised values. Because CPP is local and has extensive knowledge of the Marketplace and the findings and results of Phase I to date and based upon the Market Study completed by Cambridge Partners & Associates, Inc. in February 2005, CPP believes that \$69,396 is a realistic initial average appraised value of the Phase IV homes to be constructed in the Washington Park neighborhood, which is about a 6.76% increase over the average Phase I net sales price of \$65,000.

Included as part of Attachment 20 is a summary of the proposed WCHA HOPE VI Homeownership Second Mortgage Program. This program is the vehicle that will allow homebuyers with annual household incomes ranging, on average between 35% and 55% of Rockford Metropolitan Statistical Area Median Income (“AMI”) to purchase homes. CPP’s plan is flexible in that homebuyers both above and below this range can be accommodated, within limitations. All 26 homes to be built will be developed with public housing capital assistance and considered public housing replacement units with households having annual household incomes of up to 80% of AMI being able to purchase the homes. 80% of AMI for a family of four in Winnebago County is currently \$48,400. Additionally, the Project will attempt to reach even lower income tiers than those described above through the use of the WCHA HOPE VI Second Mortgage Program, which is described in Attachment 20. The goal will be to reach households having annual household incomes starting at approximately 30% of AMI. The targeted goals for each of these various income tiers and the number of homes are outlined in the PHA Mortgage Analysis provided in Attachment 4.

CPP estimates that homebuyers with annual household incomes in the \$20,000 to \$25,000 range will have monthly payments ranging from \$482 to \$598 for Principal, Interest, Taxes, and Insurance (“PITI”). The estimate assumes the use of IHDA’s First-Time Homebuyers’ Program and/or available downpayment/closing cost assistance funds from the Federal Home Loan Bank of Chicago, and a WCHA HOPE VI 2nd Mortgage. CPP’s Plan was created to aid in the overall economic integration of the Washington Park neighborhood.

CPP will hire one or more local real estate brokers to affirmatively market the for-sale homes. In addition, CPP will work with all interested Community Partners, especially those which have downpayment/closing cost housing counseling services and programs serving first-time homebuyers. Partners are expected to include the Rockford Area Affordable Housing Coalition of Winnebago County and the City of Rockford’s Down Payment and Closing Cost Assistance Program. Area churches and community-based organizations are also expected to play key roles in disseminating information.

A comprehensive marketing campaign will be undertaken that will target all income ranges and segments of the population. This campaign is anticipated to utilize mass media, public service announcements, advertising, community service providers and churches (please see Attachment 16 for Marketing Plan).

Sources of Funding

The total development budget for Phase IV is \$11,518,712, which includes both Part A and Part B line-items (please see Attachment 2 for detailed Exhibit F-1's). The permanent funding sources for Phase IV are:

- HOPE VI - \$6,507,749 (including HOPE VI 2nd Mortgages of \$361,556)
- Homebuyer Permanent Financing - \$1,750,147 (including HOPE VI 2nd Mortgages of \$361,556)
- Homebuyer Downpayment/Closing Costs - \$54,129
- City of Rockford HOME - \$300,000
- City of Rockford TIF - \$2,500,000
- Deferred Developer Fees - \$404,688

Construction costs for the Champion Park Revitalization Phase IV are to be funded in part by \$5,592,586 in HOPE VI funds loaned by the Authority. Additional construction funding will be derived from the proceeds of a construction loan in the approximate amount of \$988,070 (the “**Construction Loan**”) by the Construction Lender to the Developer. The Construction Loan will be collateralized by a mortgage given by the Company on its fee interest in unsold lots and units. Further construction and closing cost assistance funds in the amount of \$300,000 will be provided through HOME Funds through the City of Rockford, as well as Sales Proceeds estimated at \$360,855.

Deferred Developer Fees of \$404,688 are budgeted as a source of funds initially as an offset to the CPP and WCHA Developer Fee line items. It is anticipated that the Deferred Developer Fees would be reduced or eliminated through the availability of unused HOPE VI funds from Phase I and Phase II or additional sales proceeds.

Homebuyers will utilize commercial mortgages and, if required, soft second loans from the Authority, as more fully described in this Homeownership Term Sheet.

Cash proceeds from the sale of each homeownership unit will be used to retire 100% of the attributable portion of the Construction Loan and to pay the Developer Fees. Any remaining portion will be placed in an account jointly controlled by the Authority and the Developer (the “**Program Income Account**”) and used for Project purposes in accordance with the Program Income Agreement. These Project purposes will include two primary purposes: (i) funding Authority soft second mortgages (to the extent cash is required at any closing in excess of buyer downpayment and first mortgage funds), and (ii) to fund construction of additional Project improvements after HOPE VI funds are exhausted. Upon completion of the Development, the Program Income Account will be released to the Authority, but subject to a continuing obligation to use it for low income housing purposes, which may include financing to future low income buyers at the Development, upon resale. The size of the Program Income Account upon completion will depend upon several variables, including the construction savings, the amount of interest needed to be paid on the Construction Loan, the income levels of initial buyers and their need (if any) for Authority second loans.

The Developer will complete the initial site work and start at least the first twelve (12) of the units utilizing HOPE VI funds, the Construction Loan, and HOME Funds. Once HOPE VI funds are fully drawn down, the Developer will use Construction Loan funds in an amount equal to up to 80% of appraised value and use Sales Proceeds funds and HOME Funds for the remainder needed in construction. The Construction Loan will be fully retired with unit sales proceeds.

Additional HOPE VI funds are allocated to cover certain pre-development expenditures and an attributable portion of certain non-project-specific expenditures. HOPE VI grant funds in the amount of \$917,613 have been or will be used by the Authority to cover CSS, administration, relocation, demolition and management improvements.

The Total Development Cost (“TDC”) limit for the 26 Homeownership Replacement Units to be developed is \$7,330,285. The Housing Cost Cap (“HCC”) limit for the development is \$4,188,734. The total uses of public housing funds, included in TDC and HCC calculations are within the established limits. Please see Construction and Permanent TDC worksheets in Attachment 8.

Major Partners

e. Name of Developer and proposed role.

Champion Park Partners, L.L.C., an Illinois limited liability company (“CPP”); will act as Master Developer for the Champion Park HOPE VI Project. CPP will work in partnership with the WCHA, the residents of Champion Park and the community stakeholders to guide this Project to a successful completion. As Master Developer, CPP will be responsible for coordination of the revitalization project, as set forth in the Master Development Agreement.

f. Main address, telephone/fax numbers and email address of Developer’s firm.

973 Featherstone Road, Suite 325
Rockford, IL 61107
Phone: (815)397-8827
Fax: (815)397-9018
Email Address: jimteeter@star-hold.com.

g. Address and telephone number of the office from which services will be provided to the development (if different from above).

Same as above – Please note, CPP is already located in Rockford. All CPP decisions will be made in Rockford.

h. Contact person, title, telephone/fax numbers and email address.

James O. Teeter, Jr. – Attorney/C.P.A. – Director of Acquisitions
(HOPE VI Project Manager)
Star Development, L.L.C.
973 Featherstone Road, Suite 325
Rockford, IL 61107
Phone: (815)397-8827
Fax: (815)397-9018
Email Address: jimteeter@star-hold.com

Star Development, L.L.C. (“**Star**”) and NEF Assignment Corporation, Inc. (“**NEF**”) will partner as the Master Developer, CPP. Star contributes its extensive development experience regarding affordable housing projects and ability to combine mixed financing to successfully acquire and construct and/or rehabilitate affordable housing Projects. This includes a strong success in acquiring Low-Income Housing Tax Credits for many of these Projects. NEF supplements Star’s contribution by bringing to the table significant expertise with HOPE VI Projects and mixed financing. NEF is the nation’s largest non-for-profit equity provider of Low-Income Housing Tax Credits, and through its public housing group, has substantial experience with the successful completion of HOPE VI Projects in working with numerous public housing agencies.

As the 90% controlling Member in CPP, Star and its affiliates employ over 350 people. Star’s national headquarters is located in Rockford and all of the decisions regarding this project will be made in Rockford. Although the individual partners of CPP are each successful, ongoing business concerns, both are committed to providing the Project sufficient manpower in order to act as the Master Developer. Due to the importance of maintaining resident and community involvement, and encouraging Section 3 and minority business participation, CPP will utilize a HOPE VI Project Coordinator in addition to the HOPE VI Project Manager. The Hope VI Project Manager and Coordinator will meet with the Champion Park residents and the community stakeholders to encourage their continued involvement in the Project. The Manager and Coordinator will also work to ensure that CPP meets its goals of Section 3 and MBE/WBE participation. In addition, the HOPE VI Project Manager, James O. Teeter, Jr., will devote a significant portion of his time to the Champion Park Project. It is anticipated that at least two other CPP professionals will also devote a significant portion of their time to the project. CPP has significant and sufficient human infrastructure to devote the necessary resources of time and efforts to the Project at the specific times that it is required.

Star Development, L.L.C. (“Star”)

973 Featherstone Road, Suite 325
Rockford, IL 61107

Star is a national developer of affordable multifamily housing projects with its headquarters in Rockford. Star has over 17 years of experience in developing affordable multifamily projects that range both in size and financing complexity. Projects developed

by Star have utilized numerous types of financing from a variety of sources, including State Housing Agencies, Rural Development, Federal Home Loan Bank and HUD. The specific types of financing include Low Income Housing Tax Credits (“LIHTC”), IHDA Trust Funds, private activity Tax-Exempt Bonds, Grants and Low-Interest Loans. Star has been creative in its ability to put together realistic and obtainable financing necessary to complete complex transactions. Star has been especially proficient at receiving allocations of competitive LIHTC. Since 1989, Star has received 26 allocations of competitive Tax Credits from IHDA, with 8 coming in the last three years.

Star has substantial experience in the master planning and development of both new construction and the rehabilitation of existing multifamily housing. Star is staffed with professionals who have a wealth of experience with affordable housing development. Star’s staff includes licensed attorneys, a CPA, real estate brokers, experienced developers, experts in mixed finance developments and skilled LIHTC experts.

Star General Contractors, L.L.C. (“SGC”)

973 Featherstone Road, Suite 325
Rockford, IL 61107

SGC was organized in 1996, combining the expertise of several individuals in the construction/rehabilitation of both single-family homes and multifamily affordable housing projects, as well as the construction management of such projects. Since its formation, SGC has overseen the construction and/or rehabilitation of numerous affordable housing projects.

Role: SGC will act as the Construction Manager for the Project, overseeing and coordinating the various construction activities throughout the Phases. SCG is an affiliate and under the control of Star and the Developer.

AG Architecture, Inc.

1414 Underwood Avenue
Wauwatosa, WI 53213

AG Architecture is a Milwaukee based A/E practice with a 40-year history in multi-family and senior living design. The firm has led the design efforts for three successful City of Milwaukee Housing Authority HOPE VI Projects. At both the Hillside and Park Lawn Projects, AG Architecture rehabilitated existing super blocks, one of which was originally constructed in 1937, into vibrant neighborhoods that have been integrated into the surrounding community. Densities were reduced, streets re-opened or added, existing structures were softened and personalized porches added, landscaping was enhanced, and community resource centers and public schools were added. At the town homes at Carver Park, a 1960’s Era Super block was demolished and replaced with a vital New Urbanism mixed-income community that emulates a 65-year old Milwaukee neighborhood.

Role: AG Architecture will serve as the lead architect for the Project, providing their extensive experience with HOPE VI Projects in the design of the single-family homes to be built in the Washington Park Neighborhood.

AmCore Bank, NA

501 Seventh Street
Rockford, IL 61104

AMCORE Financial, Inc. is a bank distinguished by high performance asset management and the delivery of tailored products to business customers in selected high growth Midwestern markets. The Company is headquartered in Rockford, Illinois.

Role: *AMCORE will be the lender for construction financing providing a construction loan in an amount up to \$988,070. It is also anticipated that AMCORE will be one of the permanent lenders for the homeownership phase of the Project, utilizing its homeownership programs.*

City of Rockford

425 East State Street
Rockford, IL 61104

The City of Rockford is the governing public body, having jurisdiction over most aspects of the overall Champion Park Revitalization Project (planning, permitting, etc.).

Role: The City of Rockford is providing \$300,000 in Home Funds for new construction costs and homebuyer closing cost assistance. The City of Rockford has also created a Tax Incremental Financing District (“**TIF**”), which will generate up to \$2,500,000 to be used for public infrastructure improvements and approved TIF related costs.

B. Roles and Responsibilities

I. Roles and Responsibilities of the PHA and its Partners

Purpose: *To provide HUD with information on PHA partners and their roles and responsibilities. The description should outline as applicable the parties responsible for relocation and demolition plans, loan administration, marketing, obtaining construction financing, homeownership counseling, ownership of homes during construction, sale of homes, and, for the PHA, a description of staffing for the day-to-day implementation and oversight of the homeownership project. If the PHA intends to use a contractor to perform administrative functions under the project, the PHA should include a narrative description of the roles and responsibilities of that party.*

Instructions: *Complete the chart below by describing the specific responsibilities. Refer to the Mixed-Finance Responsibility Checklist found at <http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/> for additional responsibilities that may be relevant to this project.*

Role	Description of Responsibilities
PHA (name: <i>Winnebago County Housing</i>)	<i>Administrative functions; relocation activities;</i>

<i>Authority)</i>	<i>prequalification of homebuyers.</i>
<i>Developer (name: Champion Park Partners, L.L.C.)</i>	<i>All development related activities including master site planning, site acquisitions, construction, procurement of construction financing, and obtaining municipal approvals. Additional responsibilities include ownership of the homes during the construction period, sale of the homes, MBE/WBE/Section 3 Compliance and day-to-day oversight of the homeownership project. Assisting WCHA in initial and ongoing LOCCS and Bearing Points functions.</i>
<i>Construction Lender(s) (name(s): AMCORE Bank)</i>	<i>Construction financing.</i>
<i>Permanent Lender(s) (name(s): AMCORE Bank and Other Various TBD)</i>	<i>Permanent financing for homebuyers.</i>
<i>Loan Administrator (name: Winnebago County Housing Authority)</i>	<i>Development of standardized loan documents with the PHA; administration and servicing of the subordinate mortgage to purchasers; and tracking payment on the subordinate mortgage upon resale, bankruptcy, or foreclosure.</i>
<i>Homeownership Counseling Agency (name: Rockford Area Affordable Housing Coalition)</i>	<i>Pre-purchase and post-purchase counseling. Homeownership counseling is part of the CSS plan and budget. There will be no charge to the homebuyers and no specific line-item for homeownership counseling outside of the CSS budget.</i>
<i>City (specify: Rockford)</i>	<i>HOME funds for construction and closing cost assistance; TIF funds for infrastructure improvements and approved TIF related costs.</i>
<i>Other (specify:)</i>	

II. Ownership

Purpose: *To understand the structure of ownership during the predevelopment and construction phases of the project.*

Instructions: *In the table below, describe the ownership structure of project during the predevelopment and construction period of the project.*

	Owner Entity
<i>Land on Which Homes are to be Built or Rehabilitated</i>	<i>Champion Park For-Sale – II, L.L.C.</i>
<i>Improvements Made to Land Prior to Sale</i>	<i>Champion Park For-Sale – II, L.L.C.</i>

<i>Other Interim Land Ownership – Land Bank</i>	<i>Building Enterprise Vision, L.L.C. (B.E.V.)</i>
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Additional information regarding ownership structure, as needed:

Champion Park For-Sale-II, L.L.C., an Illinois limited liability company (the “Company”), will be the ownership entity for Champion Park Revitalization – Phase IV. Champion Park Partners, L.L.C. is the sole member of the Company. Michael K. Moore has been appointed the Manager of the Company. The Winnebago County Housing Authority, or any of its subsidiary, associated, or affiliated companies, have no ownership interest in Champion Park For-Sale-II, L.L.C.

Regarding the interim ownership of the vacant lots to be built on, the 26 lots identified for Phase IV as being owned, were purchased by an entity called Building Enterprise Vision, L.L.C. (“B.E.V.”), which is a single purpose entity created to acquire Parcels for use in the Champion Park Revitalization Project. Lots owned by B.E.V. will ultimately be transferred to the Champion Park For-Sale II, L.L.C. at the closing of this Phase IV.

III. Homeownership Counseling Program

Purpose: *To provide HUD with information regarding the homeownership counseling program requirements and the PHA’s counseling implementation plan.*

Instructions: *Complete the following questions on the homeownership counseling agency and program.*

Name of Counseling Agency and Description of the Agency’s experience in the community.

Rockford Area Affordable Housing Coalition
Elizabeth Cardenas
Housing Counselor

205 N. Church St.
Rockford, IL. 61101
(815) 962-2011

In 2006, the Rockford Area Affordable Housing Coalition (“RAAHC”) will begin its fifteenth year of partnership with community friends, businesses, local government, and non-profit agencies with the goal of creation of stronger neighborhoods through access to affordable housing for all area residents. Services provided by the RAAHC include one-on-one counseling for first time homebuyers and homeowners at risk of foreclosure, group classes on home purchase, budgeting, foreclosure prevention, security, and maintenance. In addition, RAAHC offers monthly meetings with guest speakers, quarterly newsletters with information exchange and educational articles, and an annual Homebuyer’s Fair.

Describe the curriculum and scope of services for the agency under this homeownership proposal.

The curriculum relies on a ten-hour homeownership program, with five two-hour sessions. The course is also offered in Spanish each month.

Session 1 Healthy Credit

- **Managing Credit**

- Rights Under Fair Credit Reporting Act
- Credit Danger Signs
- What If You Have No Credit History?
- Improving Your Credit
- Predatory Lending
 - Payday Loans
 - How To Figure The Cost Of Payday Loans
 - Minimum Payment Trap
- Credit Report
 - Ordering It
 - Understanding It (With Sample)
 - Samples: Dispute And Disclosure

Session 2 Buying Your Home

- Advantages And Disadvantages Of Home Ownership
- Steps In Home Buying Process
- Qualifying For A Home Loan
 - Determining Your Gross Monthly Income
 - Determining Your Monthly Debts
 - Establishing Your Maximum House Payment
- Preparing For Your Loan
 - Loan Sources
 - Types Of Financing Available
 - Preparing For The Loan Interview
 - After The Application Is Taken
 - Pre-Closing Activities
- Finding The Right Home
- Homebuyer's Wish List
- The Mortgage Closing
- Terms You Should Know

Session 3 Preventing Foreclosure

- Before Trouble Starts
- When Things Get Tight
- After Falling Behind
- Know Your Options (Alternatives To Foreclosure)
- Documentation For A Workout
- Foreclosure Tips And Resource Information
- Determining Hardship And Hardship Letter Outline
- Consequences Of Foreclosure
- Is Bankruptcy The Right Choice For You?

Session 4 Budgeting And Money Management

- Budget Background
- Five Key Reasons To Budget
- What Is Your Money Orientation?
- ABC's Of Money Management
- Spending Plan (Budget) Forms
 - Income And Expense Calculator
 - Forms For Report Of Expenses
 - Spending Plan (Budget)
- Ways To Make Money Management Easier
- Control Your Day-To-Day Spending
- Savings
 - Savings Tips
 - How Savings Grow
 - \$4,000 Tax Free
- How Much Home Can You Afford?
- Expense Of Home Ownership
- Life Span Of Household Items
- Ways To Save Energy
- How Much Credit Is Too Much?

Session 5 Protecting Your Home: Insurance And Security

- Insurance Information
- What Happens In The Event Of An Insured Loss?
- Insurance Inventory
- Insurance Terms
- Protecting Your Home Inside And Out
- Fire Safety
- Neighborhood Watch Groups
- Home Repair Fraud
- Residential Security
- Stores And Service Providers

The curriculum displayed above is offered year round, and the program serves 12 – 25 persons to maximize the instructor's attention to individual family concerns. It is mandatory that the families complete all the sessions. At the end of the program, a certificate is awarded that allows the families to participate in City, Freddie Mac, and Fannie Mae programs.

The program provides all materials and requires homework. An actual realtor is presented for the realty program, an insurance agent for the homeownership insurance, and even a horticulturist. However, solicitation is not allowed. The initial program determines if the family is even ready or sincerely wishes to purchase a home. Classes cover the advantages and

disadvantages of homeownership, money issues, empowerment of women (to educate women away from traditional gender responsibilities, teaching women to identify and provide their own home maintenance). In addition to the course instructors, presenters include representatives from credit counseling services, local lending institutions, insurance providers, and home inspectors. A lender gives a presentation on credit scoring, and the credit counseling representative provides discussion on maintaining good credit. Various loan programs are discussed along with the resources for first-time homebuyers with low income.

The curriculum is also placed within the WCHA's Housing Choice Voucher Administration Plan.

Describe the PHA's strategy to assist prospective homebuyers in accumulating their initial downpayment. Does the PHA's strategy include a Family Self-Sufficiency (FSS) escrow account or an Individual Development Account (IDA)?

There will not be a specific Family Self-Sufficiency escrow account or Individual Development Account ("IDA") for regular Section 24(d)(I)(J) homebuyers. However, WCHA's Housing Choice Voucher Program does include a Family Self-Sufficiency ("FSS") Escrow Account Component. WCHA will link and work with all downpayment/closing cost assistance programs available in the Marketplace to aid eligible homebuyers in their desire to purchase Project homes. These will include the use of a variety of the Illinois Housing and Development Authority's ("IHDA") homebuyer programs which offer downpayment/payment closing cost assistance programs. IHDA's First-Time Homebuyer's program offers a closing cost assistance program, which provides funds up to \$1,000 for real estate closing costs. IHDA also offers a HELP program, which offers qualified homebuyers a gift equating to 4.25% of the purchase price, which can be used for downpayment, and closing costs.

WCHA will also actively work with member institutions of the Chicago Federal Home Loan Bank, including AmCore Bank, to utilize their Downpayment Plus and Downpayment Plus Advantage Programs. Under these programs eligible households may access subsidies up to \$5,000 for downpayment and closing cost assistance.

The above described programs will provide prospective homebuyers with significant financial resources to assist in the accumulation of sufficient downpayment funds, as well as the necessary monies required to pay for closing costs. The funds, which may be provided by these programs, are in addition to the average figure of \$1,500 per homebuyer to be provided from a combination of HOPE VI and HOME funds in the Project's budget for closing cost assistance. In addition, the housing counseling curriculum will include various budgeting counseling aspects to aid prospective homebuyers in their understanding of how to accumulate sufficient funds in order to purchase a home.

Describe the PHA's strategy to ensure that all prospective homebuyers have steady employment and adequate income to support homeownership costs.

All prospective homebuyers will be required to participate in a housing counseling program, which will include a prequalification component to determine that there is adequate income to support homeownership costs and employment history to qualify for a mortgage. The housing counseling will include a review of the prospective homebuyer's income to help ensure they are income qualified to purchase a Project home based upon Project eligibility requirements and that they are in a position to qualify for the required financing based upon their income and employment record. WCHA and its housing counseling agency will also work cooperatively with local financial institutions to pre-approve prospective homebuyers for mortgages as well as downpayment/closing cost assistance. The housing counseling program also offers a post-purchase component to help homebuyers in the event of problems (reduction of income, loss of employment, etc.), which may arise after their purchase of a Project home.

Describe the role of Housing Choice Vouchers in your homeownership strategy, if applicable.

While the Champion Park Revitalization – Phase IV Homeownership Plan was prepared under Section 24 (d)(I)(J)

parameters, the WCHA also intends to offer a Section 8(y) Housing Choice Voucher Program (“**Program**”) to eligible prospective purchasers. For reference, the complete Section 8(y) Housing Choice Voucher Program, which is part of the WCHA Housing Choice Voucher Administration Plan is included as Attachment 18.

C. Terms

Purpose: HUD will evaluate whether the overall business terms proposed constitute an appropriate use of public funds. HUD will also evaluate the costs of the project against its Cost Control and Safe Harbor standards in light of the risks taken by the developer and PHA. To determine whether the homeownership project meets HUD’s cost guidelines and to evaluate the risks associated with the phase, PHAs should refer to the Homeownership Cost Control and Safe Harbor Standards at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf

IV. Key Milestones

Purpose: To provide HUD with a realistic timeline for project implementation and completion.

Instructions: Complete the chart below for the specific homeownership project under review. Indicate whether the activity listed is appropriate for the project, and provide a date or date range, as indicated, for actual or anticipated dates of completion, as well as the relevant locked checkpoint date.

Milestone		Estimated Completion Date	Locked Checkpoint Date
Predevelopment Agreement Signed	N/A <input checked="" type="checkbox"/>		
Development Agreement Signed	N/A <input type="checkbox"/>	3/29/04	3/29/04
Site Acquisition Proposal Approval from HUD	N/A <input type="checkbox"/>	11/4/04	7/31/04
Acquisition/Site Control	N/A <input type="checkbox"/>	6/30/04	6/30/04
Demolition Approval from HUD	N/A <input type="checkbox"/>	6/30/06	7/1/06
Abatement and Demolition Completion	N/A <input type="checkbox"/>	1/1/07	1/1/08
Disposition Approval from HUD	N/A <input type="checkbox"/>	6/30/07	4/1/08
Infrastructure Start <input type="checkbox"/>	N/A	10/15/04	10/15/04
HUD Environmental Review Approval and ROF Statement	N/A <input type="checkbox"/>	7/15/04	7/15/04
Homeownership Evidentiary Materials Drafted	N/A <input type="checkbox"/>	8/15/06	2/15/06
Closing	N/A <input type="checkbox"/>	9/20/06	4/1/06

Activity		First Home	Date Range	Last Home
Presale of Homes (approximately 2 homes per month)	N/A <input type="checkbox"/>	10/1/06		9/1/07
Construction Start of Homes		10/1/06		7/1/07

(approximately 3.25 homes per month)	N/A <input type="checkbox"/>		
Construction Finish of Homes (approximately 2.0 homes per month)	N/A <input type="checkbox"/>	7/30/07	7/30/07
Sale of Homes (approximately 1.5 per month)	N/A <input type="checkbox"/>	6/07	6/08

Homes in Phase IV will initially be built on a “spec” basis, with construction of twelve (12) spec homes scheduled to begin in the fall of 2006. Additional homes will be built on a pre-sale and spec basis as appropriate given actual demand.

II. **Market Study and Marketability of Units**

Please provide a summary of the Market Study Findings

A Market Study (the “**Study**”) has been completed by Cambridge Partners & Associates, Inc. The complete Study as well as a summary of the Study is included as Attachment 15. The Study expects “**rapid absorption**” with sales of 6 houses per month, which exceeds the developer’s current absorption schedule. **Based on the potential pent-up demand** for family-oriented homes at the proposed mortgage payments, the project appears to be demographically feasible.” “**The proposed sale prices are either lower than or within the range of the existing sales in the neighborhood.**”

III. **Developer Compensation**

Purpose: To determine if the developer’s projected compensation terms are within the Homeownership Cost Control and Safe Harbor Standards. The Cost Control and Safe Harbor Standards can be found at http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/ho_safeharbor.pdf

Instructions: Provide the following information for the net developer fee as defined in the Cost Control and Safe Harbor Standards for the homeownership project under review. Express all fee amounts as a percentage of the overall homeownership project costs. HUD will verify the stated percentages against the provided sources and uses. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Net Developer Fee for the homeownership project under review:

11.99%

The calculation for the total “Net Developer Fee” is based upon total Project Part A costs (hard and soft) less the developer fee itself as follows:

Total Project Part A costs are \$10,601,549. The calculation for the Net Developer Fee is:

Total Project Costs: \$10,601,549

Less: Developer Fee (1,135,880)

Net Developer Fee Budget \$ 9,465,669

$\$1,135,880 / \$9,465,669 = 11.99\%$. The total Net Developer Fee of \$1,135,880 is being split between CPP as the Master Developer and the WCHA. The CPP

share is \$908,704 or 80% of the total Net Developer Fee. The WCHA share is \$227,196 or 20% of the total Net Developer Fee. The CPP share of the Net Developer Fee of \$908,704, which represents 9.59% of the total Net Developer Fee Budget.

Is the developer receiving any compensation negotiated separately from the developer fee? ☒ Yes
☐ No

If so, in the following table, list any other tasks for which the Developer is being compensated (e.g., master planning, relocation, CSS, homeownership counseling, sales or marketing, etc.) and the amount of compensation.

Task	Compensation
Master Site Planning	\$ 80,000
Section 3 and MBE/WBE Activities	\$ Up To \$75,000
	\$

The Phase IV Budget includes a line item for Section 3 and MBE/WBE related costs from non-HOPE VI funds in the amount of \$75,000. These funds will be used for costs associated with Section 3 and MBE/WBE recruitment, education and training estimated at \$25,000, with the remaining funds being used for a portion of CPP's Economic and Employment Opportunities Director's wages and overhead estimated at \$50,000.

In July of 2005, Champion Park Partners created the position of Economic & Employment Opportunities Director ("EEOD") in order to maximize Section 3 and MBE/WBE opportunities associated with the Champion Park HOPE VI Revitalization Project. Anthony Burns was hired to fill that position. The EEOD is primarily responsible for the company's Section 3 Resident activities, as well as Minority Business Enterprises and Women Owned Business Enterprises ("MBE/WBE") activities. The creation of the EEOD position demonstrates CPP's efforts in going above and beyond those activities typically seen in such a Project.

For more than a year, CPP has been working with Section 3 Residents. A Section 3 Response Form was developed in order to collect information from eligible residents and to create a data base. These response forms were distributed throughout the neighborhood, as well as to local organizations and churches. To date, over 300 completed response forms have been received. The EEOD and other representatives of CPP have met with local leaders to discuss the HOPE VI Project and the role of Section 3 Residents. The EEOD organized and facilitated a Section 3 Orientation that was presented by the Rock River Training Corp. regarding their services for evaluation, education, training and employment opportunities. Additional orientations are being planned. We have facilitated an agreement between one of our subcontractors (who happens to be an MBE) and Youthbuild to provide training opportunities for up to 12 Youthbuild participants over the next 9 months. The EEOD is responsible for monitoring the situation and ensuring that it is a worthwhile experience for the trainees and the subcontractor. The EEOD spends a significant amount of time meeting with area Section 3 Residents and advising them of employment, education and training opportunities, and facilitating flow of information to these

residents. The EEOD, through referrals, has been directly responsible for several residents obtaining employment outside of the HOPE VI Project.

Another portion of the EEOD's responsibilities has to do with Minority and Women Owned Business Enterprises. CPP, throughout the Project, has advertised work opportunities and targeted these advertisements towards MBE/WBE's in the community. In addition, CPP through its Construction Manager, has held qualification and Project information meetings prior to bid application dates in order to fully inform MBE/WBE's of the requirements for bidding and performing the work on the Project. The EEOD works closely with MBE's to assist them in reviewing bid documents and plans and understanding the various requirements as a subcontractor for this Project. CPP and SGC sponsored an MBE/WBE and Small Business Development Training Course, which consisted of four sessions dealing with topics such as office and administration, types of business entities, payroll and tax requirements, understanding bids and bid lettings, understanding specifications and plans, bonding and insurance, marketing and sales & business designations and certifications. Sixteen area small businesses, all of them MBE or WBE's participated and completed the training. Many of these businesses have formed a coalition in order to assist one another in business development and to provide themselves with greater opportunities for additional work. The EEOD has monitored and assisted this coalition (known as Inner City Contractors) and helped facilitate additional assistance for them through Rock Valley College.

The success of the CPP EEOD position is clearly demonstrated by Star General Contractors, L.L.C.'s recent receipt of the Business Diversity Award from the Northern Illinois Minority Companies Association ("NIMCA").

Justification for Developer Fees above Safe Harbor Standards:

The proposed Developer Fee for Phase IV is 11.99%. While the proposed Developer Fee is above HUD's Safe Harbor Standard of 9%, it is within the Maximum HUD permitted Developer Fee limit and is reasonable given the unique nature, as a result of the termination of the previous Developer, and substantial risks associated with this Project. It should also be noted that, of the total 11.99% fee, only 9.59% will be paid to the Developer, with the balance to WCHA. The Project is complex and involves numerous non-typical issues, which result in significant activities and risks being borne by CPP. A few of the many reasons justifying the proposed Developer Fee at 11.99% are highlighted below:

- 10. **Developer obtains private debt financing to cover some portion of construction costs:** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher Developer Fees as warranted. CPP is obtaining all private construction financing and is providing 100% of the guarantee associated with the private construction financing resulting in substantial risk.*
- 11. **Developer obtains site control from an entity other than a PHA, PHA affiliate or City (fee increases with number of sites):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher Developer Fees as warranted. As part of its responsibilities as Master Developer, CPP is overseeing the acquisition of all lots for the Project. All Phase IV homes are being constructed off-site, in predominantly non-contiguous, scattered sites in the Washington Park neighborhood. None of the required sites for Phase IV were acquired from the WCHA or the City. Instead, the sites are being acquired through the oversight of CPP from individual private owners and the County of Winnebago and are being held in a land bank pending closing of Phase IV. Because of agreements with the City, it has been necessary to acquire and*

combine a significant number of lots. To be clear, many smaller 40-foot lots have to be combined to make the smaller lots into larger buildable lots acceptable to the City. This is a very time consuming process in which CPP personnel have had to be intimately involved on a daily basis with replatting and zoning issues and constantly updating the Project Site Map for replatted lots. Additionally, CPP has overseen the ordering of title work and closing on the required lots. Again, site acquisition is not a streamlined, seamless process when dealing with many different private property owners. Title issues have risen requiring CPP's oversight and guidance to address.

12. **Project is small:** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher Developer Fees as warranted. Not only is Phase IV highly complex due to the non-contiguous, scattered off-site nature of the Phase as indicated above and due to the many other complex factors noted herein, but Phase IV at 26 For-Sale homes is quite small from an efficiency standpoint.
13. **Developer carries the financing of model home(s):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher Developer Fees as warranted. The homes being built in Phase IV are being built on a spec basis. As noted in the narrative above, the building of these homes poses substantial risk for CPP, as CPP is personally guarantying all private construction financing for Phase IV. While a certain amount of holding costs are budgeted, if homes sit unsold longer than projected, taxes, insurance, and interest costs will mount up and directly impact and could eliminate CPP's projected Developer Fees.
14. **Project is complex (e.g., financial, legal, site acquisition, non-contiguous lots, environmental, and/or political):** This is a specifically stated criterion in HUD's Cost Controls and Safe Harbor Standards justifying higher Developer Fees as warranted. Each of the subcategories listed in HUD's Cost Controls and Safe Harbor Standards applies to the Project and to Phase IV and necessitates specific mention here:
 - a. **Financial:** The Phase IV Marketplace, which is the Washington Park neighborhood, has been depressed for many years and as such has relatively low projected sales prices. When the reality of low projected sales prices is combined with the WCHA's stated goal and commitment to HUD of building all Project units as single family unattached homes, which are more expensive per unit than multi-family, Phase IV required a sophisticated financing structure to achieve these goals.
 - b. **Legal:** The Project and Phase IV specifically have been complex and demanding from a legal perspective. CPP's in-house attorneys negotiated the majority of the MDA and CPP has received no additional compensation for a very large amount of in-house legal work. The same scenario of intensive in-house legal work was required to meet HUD's tight time frames to complete the Master Developer Agreement has also been required in several areas specific to Phase IV, including overseeing the scattered site lot acquisitions and related matters.
 - c. **Site Acquisition:** CPP has been overseeing and orchestrating all aspects of site acquisition for Phase IV. This has been a very complicated process. As noted above, all Phase IV homes are being constructed off-site, in predominantly non-contiguous, scattered sites in the Washington Park neighborhood. None of the required sites for Phase IV were acquired from the WCHA or the City.
 - d. **Non-Contiguous Lots:** The Project involves the new construction of single-family homes on predominantly non-contiguous lots throughout the Washington Park neighborhood. This is likewise true of Phase IV. As indicated above, the existing lots are owned by numerous different owners and, in most instances, need to be combined in order to result in buildable

Parcels, which meet City standards. CPP is responsible for overseeing lot acquisition activities, including the required combining of lots into legally buildable Parcels. There are several additional reasons the non-contiguous nature of the lots makes the Project complex and less profitable for CPP. In many aspects, it is as if entire blocks with existing homes, which will remain, are being redeveloped. For example, in many cases new infrastructure is being put in which requires easements not only for the lots being acquired, but also from lot owners with existing homes that will remain. This is a difficult time consuming process to oversee and orchestrate..

- e. **Environmental:** While fortunately there are no environmental issues to deal with for Phase IV, the scattered site nature of the project in an existing neighborhood remains more challenging from an environmental aspect than a standard single site project. For example, CPP had to oversee the environmental site assessment for the entire neighborhood.*
 - f. **Political:** CPP is the replacement Master Developer for the Project. The political nature of this Project is well documented with numerous newspaper articles and inquiries into the Project. As I believe HUD is well aware, news articles were being published on almost a daily basis, which were not flattering for the Project. Since CPP took over as Master Developer, these unflattering news articles have basically ceased due to the hard work of CPP and the WCHA.*
 - g. **New Infrastructure:** The Project and Phase IV involves massive public infrastructure improvements. Most of the lots upon which the Project homes will be built did not currently have all required public infrastructure or such existing infrastructure is in a deteriorated condition. The public infrastructure improvements will include water, sewer, streets, lighting, and sidewalks to be installed where they currently do not exist or upgraded as needed where the current systems are deteriorated or outdated. A complex site plan has been developed identifying the locations of all the public infrastructure improvements for the Project.*
- 15. **Deferral of Developer Fee:** CPP is highly committed to the success of the Project and to the success of Phase IV. As a testament to CPP's commitment, CPP will not be taking any Developer Fees except from home sale proceeds when homes are sold. This helps Phase IV by lowering the amount of funds needed during construction. This is a substantial and real risk being assumed by CPP. This is a substantial commitment and CPP is assuming substantial risks for which CPP must be fairly compensated. In addition, \$404,688 of the total budgeted developer fee is currently being deferred which is at risk of never being paid if additional HOPE VI funds (from savings on Phases I or II) or additional sales proceeds are not added to the Phase IV budget.*
- 16. **Relatively Small Dollar Amount of Developer Fees:** We understand that HUD's Cost Controls and Safe Harbor Standards primarily look to certain percentages to determine the reasonableness of proposed Developer's Fees. For small projects such as Phase IV, we would suggest it is equally or more important to look to actual dollar amounts. The total projected Developer Fees for Phase IV are \$1,135,880. While this may seem like a substantial amount of money, quite bluntly CPP for the following reasons would not be able to do a Project such as Phase IV for this fee if this were the only phase in the Project. Please note, out of the Developer Fees comes substantial overhead, which for Phase IV alone will reduce the indicated Developer Fees by more than half. The overhead to run a development firm such as CPP is substantial. Among other personnel, CPP has two full time attorneys on staff, a CPA and a financial analyst with a Master's Degree in Finance. CPP personnel also include managers with over fifteen years of extensive Affordable Housing Development experience. Frankly, while these professional staff resources are very expensive, Phase IV and the Project generally for that matter would not be on track now without such professional staff. In addition to CPP's in house professional staff, CPP partnered with the National Equity Fund, Inc.'s*

Public Housing Group (“NEF”) to provide specific and extensive HOPE VI expertise. A substantial portion of CPP’s Developer Fee is being shared with NEF for this HOPE VI expertise. Equally important in determining the fairness of the Developer Fee amount is not only the substantial Developer Fee overhead, but also the significant and real risks being assumed by CPP for this Phase IV. CPP is not only leaving in all of its Developer Fees until homes begin to sell, but is 100% guarantying the private construction debt for Phase IV estimated to be up to \$988,070. The net Developer Fee after paying CPP’s overhead is small when compared to the substantial risks being assumed. The only reason CPP is able to develop Phase IV for such a fee is because the Project involves multiple phases.

- 17. **Performing Many Developer and Non-Developer Related Tasks:** As a large national development company, CPP is able to draw upon a wide array of professional skill sets and provide the needed services to move Phase IV rapidly forward. Candidly, because of knowledge of the overall Project, some Phase IV tasks, which would normally be contracted out to attorneys and consultants as additional Project expenses, are being done by CPP’s professional staff which includes two attorneys and a CPA. In addition to all routine Master Developer tasks, CPP professional staff are overseeing and intimately involved with the following non-routine Master Developer Tasks: (i) legal and accounting work as noted throughout this section, and (ii) assisting WCHA on an on-going basis with all LOCCS and Bearing Points related activities.*
- 18. **Foregone Opportunities:** When CPP management previously met with senior HUD management in Washington, we understood the urgent need to move the Project rapidly forward. The only way CPP could meet these requirements was to utilize CPP’s entire professional staff on all aspects and phases of the Project. CPP made this commitment and has followed through by providing everything to HUD as promised in our Washington meeting with HUD management. CPP is a for-profit company. To satisfy the commitments we made to the WCHA and HUD to move the Project forward, CPP has foregone many other profitable development opportunities because of the reality of limited professional staff. As such, CPP needs to be fairly compensated.*

IV. Pay-Out Schedule for Developer Fee/Overhead

- Purpose:** *To determine if the pay-out schedule is within the Homeownership Cost Control and Safe Harbor Standards, and that public housing funds are not paying for the developer fee.*
- Instructions:** *Describe for the specific project under review when the developer receives its fee and what source of funds pay for that fee. The percentages should total 100% and should be as defined in the Cost Control and Safe Harbor Standards. If the Developer is being reimbursed for overhead prior to closing, provide a justification in the space below the table.*

Description of when the developer receives fees and the source of funds for the fees:

Developer Fees will be paid based upon the following schedule:

- 3) At the mixed-finance closing, no Developer Fee/overhead amount will be paid.*
- 4) Upon the closing of each Project home with a homebuyer, a pro-rata share of the Developer*

Fee/overhead per home will be paid.

No public housing funds will be used to pay for any Developer Fee/overhead amounts. The source of funds for Developer Fee/overhead amounts will be strictly and only from sales proceeds.

Justification for deviating from the Safe Harbor Standards (if applicable):

Not Applicable.

Justification for providing overhead to the developer prior to closing (if applicable):

Not Applicable.

V. *Sharing of Third-Party Predevelopment Costs and Reimbursement Schedule*

Purpose: *To determine if the sharing of third-party predevelopment costs is within the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *Complete the following table for the specific phase under review. For each of the primary predevelopment costs indicate the percentages to be borne by the PHA and the developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.*

Estimated Amount of Predevelopment Costs:

\$ 1,400,000.00

Length of Predevelopment Period:

9 Months

Percentage Borne by PHA:

75%

Percentage Borne by Developer:

25%

Justification for PHA bearing greater than 75% of the predevelopment costs (if applicable):

Not Applicable.

VI. *Identity of Interest Parties*

Purpose: *To determine if the Developer has an identity of interest with any parties involved in the homeownership project, and, if so, appropriate cost control measures have been completed as per the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *In the table below, disclose whether the Developer has an identity of interest with any party. For each identity of interest party, indicate what steps have been or will be taken to ensure cost competitiveness.*

Party	Related Entity?	Cost Control Measures Planned/Completed
<i>Builder/Contractor</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<i>Construction Manager</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Cost is within HUD safe harbor standards.</i>
<i>Construction Lender</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<i>Broker</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<i>Homeownership Counselor</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Party	Related Entity?	Cost Control Measures Planned/Completed
<i>Master Site Planning</i>	<i>X Yes <input type="checkbox"/> No</i>	<i>Costs will be controlled through an Additional Services Agreement between CPP and WCHA. Actual fees to CPP are 20% less than what was budgeted for third parties to perform the same Master Site Planning activities.</i>

VII. **Construction Fees**

Purpose: *To determine if the construction fees are within the Homeownership Safe Harbor Cost Control Standards.*

Instructions: *Fill in the following blanks to indicate the amount and percentage planned for contractor profit, overhead, and general conditions for the specific project under review. In the space below, describe how any construction savings will be allocated between the PHA and Developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.*

The amount and percentage for contractor's profit:

\$ 229,912 = 6%

The amount and percentage for contractor's overhead:

\$ 76,404 = 2%

The amount and percentage for contractor's general conditions:*

\$ 229,912 = 6%

The dollar amount of Construction Management fees shown above are for the construction cost of the 26 For-Sale homes. If Construction Manager does additional work, it will be at the HUD approved Construction Management fee percentage.

** If the homebuilder is receiving a developer fee, HUD's Cost Control and Safe Harbor Guidelines limit the homebuilder to 6% for contractor's general conditions, and 0% for profit and overhead.*

Justification for fees in excess of HUD Safe Harbor Standards (if applicable):

The proposed Construction Management fee for Phase IV is 14% (6% profit, 2% overhead and 6% general conditions). This is the industry wide accepted Construction Management fee to Construction Manager. SGC cannot serve as the Construction Manager for Phase IV for less than the industry wide accepted Construction Management fee amount. There are many reasons justifying the proposed Construction Management fee. A few of the reasons are highlighted below:

- 2. **Within Safe Harbor for Rental Developments & Part of Business Terms with Housing Authority.** The proposed Construction Management fee for Phase IV of 14% is within the current Cost Controls and Safe Harbor Standards for Rental Developments effective as of April 9, 2003. The current Cost Controls and Safe Harbor Standards for Homeownership Developments came out in April 2004, after the Master Developer Agreement was negotiated and executed between the Developer and the Housing Authority. The business deal entered into between the Developer and Housing Authority included the assumption of 14% Construction Management fees for SGC.*
- 3. **Urgency of Project / Potential Risk of Default:** An absolutely essential component to making the Phase IV timelines is utilizing SGC as the Construction Manager. As noted, SGC is an affiliate of Developer. SGC has provided the development team with the absolutely needed resources to meet the Phase IV timelines. To date, SGC personnel have spent hundreds of hours to advance the Project. SGC has made a very substantial investment of its time and staff resources. SGC is prepared to begin soliciting bids from subcontractors for construction of the homes as soon as final architectural plans are completed, and to begin construction of homes for Phase IV immediately following the Closing. No non-affiliated Construction Manager would have been willing to make the required investment of time and resources to advance the Project to meet current Phase IV timelines. SGC has already incurred considerable expense to date including the almost exclusive utilization of SGC's staff for the last several months on the Project. To be clear, SGC is only requesting being paid the industry wide accepted Construction Management fee for its efforts which any other Construction Manager would be paid for Phase IV. The industry wide Construction Management fee of 14% is widely accepted for Identity of Interest Construction Manager by other State and Federal agencies. This is true for the Illinois*

Housing Development Authority and the United States Department of Agriculture, Rural Development. SGC has a long history of working as an I.O.I. Construction Manager on projects funded by both of these agencies and is considered a professional and respected Construction Manager. The need for a cohesive team with an affiliated Construction Manager leading the construction efforts cannot be understated.

- 3. **Phase IV is Complex:** While the units in Phase IV consist of single-family homes, Phase IV is by no means a simple project justifying lower than standard Construction Management fees. To the contrary, certain aspects of Phase IV will substantially increase the required Construction Manager's oversight and expenses. The scattered-site, non-contiguous nature of Phase IV multiply the Construction Manager's responsibilities compared to the construction of a single-site multi-family building with a comparable Construction Management fee. Several examples of this multiplication of work are of note including the necessity of pulling a building permit for each home and going through the plan approval process multiple times for different home designs. Also each individual lot comes with a different set of issues to be addressed including such matters as tree clearing and drainage. The required additional daily oversight and coordination of the construction on 26 different sites for Phase IV verses 1 site for a typical project will be substantial. SGC will have to commit at least twice the personnel to Phase IV as it normally would to a single building project with the same Construction Management fee. As Phase IV involves federal funds, there are also*

substantial paperwork and reporting requirements to comply with including prevailing wages.

- 4. Dollar Amount of Construction Management Fees Are Small:** *Not only is Phase IV complex due to its non-contiguous, scattered off-site nature and due to the multi-building aspect, but at 26 For-Sale homes, Phase IV is quite small from an efficiency standpoint. The additional time required for such matters as complying with prevailing wage reporting requirements cannot be spread over a large number of homes as such costs can be in larger projects with hundreds of homes. Another example of this inefficiency, is evident from the fact that there are a total of four different home plans each requiring countless hours of design input, review and consultation by SGC. If hundreds of homes were being built from these plans, it would be far more efficient. Related to the Construction Management fee amount, we understand that HUD's Cost Controls and Safe Harbor Standards primarily look to certain percentages to determine the reasonableness of proposed Construction Management fees. For small projects such as Phase IV, we would suggest it is equally or more important to look to the actual dollar amounts. The total projected Construction Management fees for home construction for Phase IV are \$536,228. More than half of this fee goes toward substantial overhead and general requirement costs. SGC's fee is based upon a guaranteed stipulated sum contract. What this means is that if SGC's estimated costs are too low or the costs of materials keep increasing after executing the Construction Management contract all of SGC's fees are at risk of being lost. The cost of building materials (particularly lumber) has and continues to be rising at an almost unprecedented rate. This is a very substantial risk particularly given the current market. From a numbers perspective, SGC is guarantying the cost of construction on a budget of several million dollars. If costs continue to rise as in past months, SGC's fees could be eliminated. Alternatively, if costs drop the savings above SGC's fees are returned to the Project. We believe no Construction Manager with prudent business sense would agree to assume such a substantial risk for less than the industry wide accepted Construction Management fee amount. The amount of work for Phase IV and the risks of rising material costs are far too great in the present market. Please also note that WCHA, per HUD requirements, will be doing an independent cost certification to assure HUD that the construction costs for Phase IV, including SGC's fees, are reasonable and appropriate. SGC needs to be paid the industry wide accepted Construction Management fee for Phase IV to assume the substantial risks and to keep Phase IV on track for homes in the ground this fall.*
- 5. Performing additional Non-Construction Manager Related Tasks:** *SGC is an experienced Construction Manager with staff having a wide array of professional skill sets available to be drawn upon. These skills have proved invaluable in moving Phase IV rapidly forward. One of the members of SGC's professional staff has extensive single-family home building experience. He also possesses an architectural degree and has been intimately involved in reviewing the architectural plans to make the homes more livable and to provide a good quality of life for many years. One suggestion among many others he came up with for the architect to consider was the use of a masonry fiber cement composite siding product for all the homes which product provides extended durability, low maintenance, has a Class 1 (A) fire rating, a 50-year transferable warranty, and blends nicely into the neighborhood of existing homes. This is just one example of the type of value added services SGC is providing to the Project.*
- 7. Section 3, MBE and WBE Matters:** *As the Master Developer for the Project, CPP takes its Section 3, MBE and WBE goals very seriously. We realize that the true value of the*

HOPE VI program comes not only from building new homes, but also comes from helping people build new lives. To meet CPP's Section 3, MBE and WBE goals, we have already looked into the possible Section 3, MBE and WBE Construction Managers that would be qualified and competitive to build Phase IV. We have not found any such local contractors. We believe it is far more practical to meet our Section 3, MBE and WBE goals by having SGC serve as the Construction Manager and dividing the work into smaller amounts. By doing this, we are confident far more WBE and MBE qualified businesses can participate in Phase IV.

- 7. Foregone Opportunities:** *When CPP management previously met with senior HUD management in Washington, we understood the urgent need to move the overall Champion park Revitalization Project rapidly forward. The only way CPP could meet these requirements was to utilize CPP's and SGC's entire professional staffs on the Project. We have followed through on our commitment. SGC is a for-profit company. To satisfy the commitments we made to the WCHA and HUD to move Phase IV forward, SGC has foregone many other profitable opportunities because of the reality of limited professional staff. As such, SGC needs to be fairly compensated. SGC cannot serve as Construction Manager and assume all the related risks for Phase IV at less than half of the industry wide accepted Construction Management fee. The Illinois Housing Development Authority and the United States Department of Agriculture, Rural Development accept as reasonable the industry wide accepted Construction Management fee of 14% for Identity of Interest Construction Managers.*

Methodology for allocating construction savings:

Any construction cost savings after paying SGC its maximum permitted fees will go back into the project for additional improvements acceptable to the Developer, Housing Authority and, if required, HUD, or will be reserved for other portions of the Champion Park HOPE VI Revitalization Project.

VIII. Sales Proceeds and Fees to the PHA

- Purpose:** *To determine if the PHA is in compliance with the restriction of use of resale proceeds and fees to further low income housing.*
- Instructions:** *Sales proceeds are defined as proceeds realized by the owner entity/developer from the sale of homeownership units after the payments of the construction loan(s), the developer fee, and all other project costs have been satisfied. Answer the following questions in narrative form for the proposed homeownership project.*

After payment of all expenses, how are sale proceeds distributed?

Sales proceeds anticipated to be available at the closings of the individual homes to homebuyers will be used to repay construction financing, and other budgeted Project costs, including Developer Fees (please see also Attachment 3 for Exhibit F-1). Any sales proceeds above and beyond anticipated levels will be used for eligible program costs or for other low-income housing purposes, including other phases of the overall Champion Park HOPE VI Revitalization Project.

Complete the following table to indicate what fees (e.g., developer fee, loan administration fees, counseling agency fees, etc.), if any, are to be paid to the PHA or PHA affiliate.

Type of Fee/Description	Amount
WCHA Developer Fee	\$ 227,176
	\$

	\$
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What are the expected sources of project income (e.g., repayments of loans, PHA development fees, etc.) and what is the PHA's planned use for this project income?

WCHA is expected to receive \$226,064 in Development Fees for this Phase IV. WCHA plans to use any such project income for eligible program costs or for other low-income housing purposes, including for other phases of the overall Champion Park HOPE VI Revitalization Project.

IX. Gains from Appreciation

Purpose: *To determine if the PHA's provisions (where applicable) adequately protect the PHA's investment in the homeownership project.*

Instructions: **If a PHA is writing down the cost of construction** (e.g., the construction cost exceeds the sale price/appraised value), it must consider a provision in its homeownership project to recapture all, some or none of the gains from appreciation. This provision limits the amount the subsidized original purchasers can realize due to appreciation of the property upon sale for a period of time, and is generally recorded in a deed restriction. The PHA's recapture policy on appreciation may range from no recapture to recapture of total appreciation. This provision only applies to the sharing of sale proceeds and does not address the recapture of financing that the PHA may elect to provide directly to a purchaser.

If applicable, describe how the PHA will treat the gain upon resale that the subsidized buyer can realize due to appreciation of property.

It is anticipated that this Appreciation provision will be filed as a restricted covenant so as to cover the original purchaser, as well as all subsequent buyers. From this point forward, the term Appreciation shall be determined as "proceeds from the sale of the home that are net of the payoff of all debt recorded against the real estate, the seller's original downpayment that came from their personal funds, the seller's equity defined as the difference between the original principal balance of all of the debt secured by the real estate and the respective payoff amounts, and 50% of the value of all improvements made by the owner that can be substantiated by a receipt from a third party contractor". In Years 1-2 from the date of the first sale of the home, 100% of Appreciation will be returned to the Winnebago County Housing Authority ("WCHA"). After Year 2, all of the Appreciation will remain with the seller.

X. Recapture Provisions

Purpose: *To determine if the proposed recapture provisions (where applicable) are appropriate for the target purchasers, are coordinated with direct financing terms of local partnering affordable homeownership programs, and adequately protect the PHA's and purchasers' investments in the homeownership project.*

Instructions: **The PHA must set a policy regarding recapture upon resale of government-provided**

assistance and/or direct financing made to the purchaser to the extent that there are net proceeds.

This includes the PHA downpayment, closing cost assistance, subordinate mortgage financing, or below-market financing (e.g., sale the unit for less than appraised value of the home). However, this policy may range from no recapture of assistance to full recapture of assistance.

If applicable, describe the terms of the direct financing to purchasers and terms of recapture. Describe also the method of recapture (e.g., via a promissory note). If the PHA chooses to forgive the direct financing over time, fill out the table below as applicable. (Table may be modified to reflect longer-term or shorter-term forgiveness schedule).

If there is additional direct financing from participating local affordable homeownership program partners, briefly describe the terms of their direct financing and amount of direct financing per purchaser. Describe how the PHA's direct financing terms coordinate with the local program partners' financing terms.

Repayment of the direct assistance made to an individual buyer, in the form of a permanent second mortgage, will be net of the repayment of the first mortgage and the Seller's equity in the home. As a benefit for remaining in the home, second mortgage forgiveness will be structured at a rate of 20% per year from Year 1 to after the date of the first sale, through Year 5. After Year 5, the second mortgage will be considered fully satisfied.

In the event the owner sells the home in Years 1-5 from the date of the original purchase, WCHA will take 100% of the proceeds, up to the payoff amount of the second mortgage, net of the satisfaction of the first mortgage, the repayment of seller's personal funds that were used for a downpayment, and 50% of all improvements made by the owner that can be substantiated by a receipt from a third party contractor ("Net Proceeds").

Year of Resale	Rate of Forgiveness*
1	20%
2	20%
3	20%
4	20%
5	20%
	%
	%
	%
	%

*Note: A PHA may forgive 100% in any year.

XI. Purchaser Eligibility Requirements

Purpose: To provide HUD with an understanding of the PHA's priorities for project purchasers and restrictions on purchaser eligibility.

Instructions: Complete the following information on purchaser requirements.

Minimum purchaser income amount and percentage of AMI:

\$ 12,720 = 30% (Family Size - 1)

Maximum purchaser income amount and percentage of AMI:

\$ 63,900 = 80% (Family Size - 8)

Minimum downpayment amount or percentage of purchase price from purchaser's own funds:

\$ 500 or
1% of sales price

Describe process for income eligibility.

The Winnebago County Housing Authority (“WCHA”) will be responsible for pre-qualifying homebuyers. WCHA will work with the Rockford Area Affordable Housing Coalition to pre-qualify homebuyers and certify that the applicant’s annual household income is between 30% and 80% of AMI adjusted for family size. WCHA will also work with local financial institutions to pre-qualify and pre-approve prospective homebuyers for mortgages.

Describe priorities for selection of purchasers (e.g. residency).

Homes will be offered for sale on a First-Come-First Served/Buy Basis (“FCFB”), subject to homebuyers meeting overall eligibility requirements outlined as follows:

- Eligible Purchasers must have annual household income of at least 30% of AMI and not more than 80% of AMI, adjusted for family size.*
- The home sold to an eligible household must be used as the principal residence of the household and cannot be rented or leased.*
- Each eligible household purchasing a home must use its own resources to contribute an amount of the downpayment that is not less than one percent (1%) of the purchase price, unless the first mortgage is originated or held by a State or unit of general local government under a loan program of the State or unit of general local government, and the program provides for a lower downpayment. The remaining amount can be paid from other sources, including HOPE VI funds.*
- The purchaser must meet affordability standards (housing ratios) established by the permanent lender selected by the homebuyer and which are customary in the industry.*
- Participation in a homeownership counseling program.*
- Prospective homebuyer has been pre-approved for financing from a financial institution in an amount necessary to qualify for the desired home.*

With regards to prioritization, when more than one Offer to Purchase from qualified homebuyers (based upon the preceding eligibility requirements) is pending on a given Project home the priorities for selecting the homebuyer will be as follows:

- 1) Current or former Champion Park resident.*
- 2) Participation with the Winnebago County Housing Authority’s Section 8(y) Housing Choice Voucher Program.*
- 3) Current target area resident.*
- 4) Requires less WCHA HOPE VI Second Mortgage Funds.*
- 5) Shortest closing timeframe.*

Describe income tiering structure for eligible program purchasers (if applicable). How many homes will be set aside for each tier?

All 26 homes being developed in Phase IV will be set-aside for households with annual household incomes at or below 80% of AMI.

However, the Project will attempt to reach lower income tiers than described above through the use of the WCHA HOPE VI Second Mortgage Program, which is described in Attachment 20. The goal will be to reach households having annual household income starting at approximately 30% of AMI. The Mortgage Analysis provided in Attachment 4 represents the income targeting which could be attainable with the use of the WCHA HOPE VI Second Mortgage Program as a “most likely scenario” and which differs from the minimum targeting commitment described above.

Describe any additional requirements (including housing quality standards for soft second mortgage or acquisition sale programs).

None.

XII. Additional Information on the Project

Instructions: *In narrative form, provide any additional information on the project and business terms of which HUD should be aware when reviewing the terms for this phase. Such issues might include:*

- *Unusual programs or fee structures HUD will need to evaluate;*
- *Justifications for any fees or structures proposed outside of HUD's Cost Control and Safe Harbor limitations;*
- *Effect of a consent decree on the homeownership project;*
- *Restrictions upon the resale of homes (e.g., resale restriction stipulating that the homes must be sold to a low-income purchaser within 30 years of initial sale of home);*
- *Market concerns and plan for mitigation;*
- *Homeowner's Association and requirements;*
- *Any non-residential or mixed uses such as community or commercial buildings;*
- *Use of public housing funds as bridge loan; and/or*
- *Other circumstances that will result in unusual terms or the need for a delayed or accelerated closing.*

Narrative on additional project/phase information:

Champion Park Partners' HOPE VI Implementation Plan flows from Champion Park Partners' business methodology, which can be summarized best as follows:

Make sure that all underwriting assumptions are reasonable and achievable, and then outperform one's commitments. When acting, act swiftly and decisively while always paying attention to the details. Obtain immediate momentum and success, which will then inspire and generate further successes. Always remain flexible, as changes will occur beyond one's control. Listen closely and attentively to one's partners, and accommodate them to the best of one's abilities, while not endangering the project's overall success. Finally the HOPE VI program goals for Section 3, WBE and MBE participation are equally important to the building of bricks and mortar.

These are Champion Park Partners' ("CPP") beliefs and goals. The next few paragraphs deal more specifically with the implementation of CPP's beliefs and goals to the Champion Park Revitalization.

CPP's Plan is based upon the reality that WCHA's vision (now incorporated into the Grant Agreement with HUD) of a decentralized neighborhood consisting of single family For-Sale and Rental homes needs to be respected. Likewise, CPP's Plan is based upon the reality that the existing market forces controlling initial home sale prices and initial home rental rates in the Washington Park neighborhood must be understood and respected. The good news is that even given these realities, WCHA's vision is achievable. If CPP did not strongly believe this to be the case, and likewise believe in WCHA's commitment to the revitalization, CPP would not be willing to serve as the Master Developer. CPP's Plan to implement WCHA's vision is based upon quickly obtaining achievable success to build momentum. These are the keys to the Revitalization. Additionally, CPP recognizes the long-term viability of the project comes from a sustained neighborhood-wide revitalization. This is true with regard to all HOPE VI projects, if not all neighborhood revitalizations in general.

As stated above, CPP is confident that WCHA's vision of meeting the minimum Public Housing

replacement units, as outlined in the Grant Agreement, through single-family For-Sale and Rental homes on scattered sites throughout the Washington Park neighborhood can and will become a reality. The most important refinements CPP is implementing in comparison to parameters outlined in the HOPE VI Grant Application involve the timing of the phases (immediate impact), utilization of HOPE VI funds earlier in the revitalization (to achieve momentum), and the scope of the revitalization (broader and longer term) to sustain the revitalization. Because CPP is local, its personnel have made numerous site visits, spending countless hours in the neighborhood studying, reflecting and analyzing how best to implement a successful plan. Based upon that review and consultation with our professionals, we have developed the following Plan in conjunction with the WCHA. A synopsis of the approved Revitalization Plan is as follows:

Phase I – Substantial Infrastructure Improvements, Washington Park Community Center Improvements (which will house, among other things, the CSS Program and the Neighborhood Networks), and 26 For-Sale Homes & Site Improvements.

Phase II – 52 Rental Homes & Site Improvements. (Upon completion of Phases I and II, the Authority will have met the minimum Public Housing Replacement unit requirements of the Grant Agreement).

Phase III – Commercial Revitalization (non-HOPE VI phase and no HOPE VI funds to be utilized).

Phase IV – 26 For-Sale Homes, Site Improvements & Demolition of Champion Park.

Phase V – 26 Rental Homes & Site Improvements (no HOPE VI funds currently budgeted).

Phase VI – 26 Rental Homes & Site Improvements (no HOPE VI funds currently budgeted).

Phase VII – Demolition of Concord Commons/Construction of Washington Park Senior Apartments (non-HOPE VI phase and no HOPE VI funds to be utilized).

Phase VIII – 24 For-Sale Homes & Site Improvements (non-HOPE VI phase and no HOPE VI funds to be utilized).

Phases III, VII and VIII do not involve any HOPE VI funds and are subject to numerous contingencies. Developer plans to use reasonable efforts to accomplish these phases, consistent with the Revitalization Plan.

Key to the success of the entire revitalization is the success of the early phases. An immediate positive change in the perception of the neighborhood (partly from significant infrastructure improvements) is critical to draw interest to the neighborhood from prospective Market rate buyers and renters. Momentum is also critical for HUD (and other agencies such as IHDA) to understand that the loss of the prior Master Developer has not endangered the project, and to keep all development partners, community stakeholders and the general Winnebago County community enthusiastic about the project.

To achieve immediate momentum and success, CPP proposes that Phases I, II, and IV be structured to include the construction of the majority of the infrastructure improvements (approx. \$4.0 Million) for the entire neighborhood, substantial neighborhood-wide site cleanup, an effort to simultaneously begin the construction of 26 For-Sale homes and the 52 units of Rental homes, and improvements to the Washington Park Community Center. Substantial infrastructure and neighborhood site cleanup will have both an immediate visual and actual impact. Construction of For-Sale homes in Phase I will allow WCHA to achieve a change to the neighborhood within 12 to 24 months. Phase I has closed and the homes are under construction with five homes being sold to date.

Phase I and Phase IV's success is dependent upon the marketability of the constructed For-Sale homes. The Phase I and Phase IV homes need to sell at their appraised values on the timeline projected to HUD. CPP's Plan assumes a more realistic sales price assumption than WCHA's prior Developer, and allows for an "adjustment mechanism" to accommodate all able and willing home purchasers on a First-Come-First-Buy ("**FCFB**") basis. This is the aspect of CPP's Plan that most fundamentally differs from the plan as set forth in the HOPE VI Application. Briefly, the "adjustment mechanism" CPP proposes to accommodate buyers on a FCFB basis is an affordability pool of HOPE VI forgivable second mortgage funds to be allocated and drawn upon either in the first and/or second For-Sale Phases (please see Attachment 20 for a description of the WCHA HOPE VI Second Mortgage Program). CPP's Plan targets buyers with average household annual incomes ranging from between 30% and 50% of AMI, but will also accommodate some families with lower or higher annual incomes. To be clear, CPP's plan does not discount the home sale prices below their appraised values. The proposed Adjustment Mechanism simply makes the homes affordable based upon the actual needs of the prospective buyers.

CPP's Plan for Phase II involves the development of 52 rental homes. The rental homes will be inter-mixed with the for-sale homes, and located throughout the Washington Park neighborhood. The homes will have designs and features consistent with the for-sale homes. CPP's unit breakdown for the 52 rental homes in Phase II is: (13) 2-bedrooms, (31) 3-bedrooms, (6) 4-bedrooms and (2) 5-bedrooms. A total of 41 of the homes will be considered ACC units. The remaining 11 homes will be developed without public housing capital assistance as non-public housing units and will be available to households with annual incomes at or below 60% of County Median Income, thus qualifying under IHDA's tax credit program. Low Income Housing Tax Credits ("**LIHTC**") are targeted as a key financing mechanism for this phase, along with HOPE VI funds. These 11 units will receive project based housing choice vouchers from the WCHA. The rental homes would be affirmatively marketed in a partnership between the WCHA and Professional Property Management, L.L.C. ("**PPM**") and in conjunction with project partners and community stakeholders. PPM is the management affiliate of CPP. Phase II has closed and the homes are under construction.

CPP's Phase IV represents the second phase of for-sale homes and will consist of a total of 26 homes. The 26 homes will be located in the Washington Park Neighborhood consistent with final Master Site Planning. This phase will have (14) 3-bedroom, (7) 4-bedroom and (5) 5-bedroom homes and feature designs and amenities as previously described.

As with Phase I, Phase IV Plans call for the creation of 26 homes developed with public housing capital assistance being available to households with annual incomes at or below 80% CMI. The WCHA HOPE VI Homeownership Second Mortgage Program (Attachment 20) would also be utilized in this Phase, providing the vehicle to allow buyers with annual household incomes ranging between approximately 30% and 50% of AMI to afford the homes, but with the flexibility to accommodate homebuyers both above and below this range, within limits.

CPP strongly feels that to achieve sustained neighborhood-wide revitalization, substantial visual improvements to the neighborhood are required to change both the perceptions and the realities of the target area. These changes include the elimination of the blighting influences of numerous vacant lots, improving deteriorated or installing lacking public infrastructure, and adding a few essential retail opportunities, among others. In order for conventional market forces to become effective in the neighborhood, a significant catalyst is needed to quickly achieve success and build momentum, interest

and hope. The catalyst is the HOPE VI funds being utilized in Phases I, II and IV, for without these funds, substantial required improvements will not occur and traditional market conditions will not begin to function. The implementation of the development and financing plans as presented in the Revitalization Plan will provide the core activities to permit market forces to begin functioning, resulting in an improved neighborhood, which can then begin to support additional development Phases, as outlined below.

Phase V of CPP's Plan involves the creation of 26 additional rental homes (25% of the total of 104 rental homes). The location of these homes will be consistent with final Master Site Planning. The homes will have designs and features consistent with for-sale homes.

CPP's unit breakdown for the 26 rental units in Phase V is anticipated to be as follows, and is subject to change based on feedback from the prior rental Phase II:

- (18) 2-bedrooms
- (3) 3-bedrooms
- (5) 4-bedrooms

CPP does not plan to use any HOPE VI funds in the development of the 26 rental homes in Phase V. As such, this Phase will not include any ACC homes, which have all been developed in prior Phases. All 26 homes in Phase V will be targeted to households with annual incomes at or below 60% of County Median Income ("CMI"). It is CPP's belief that as visual improvements take place over time in the Washington Park neighborhood, the market will be able to support higher rent levels. However, CPP asserts that 60% CMI rent levels are at the top end of achievable market rents and therefore, should be considered as market rents. Some lower income targeting is anticipated as well, with 20% of the units being set aside for households with annual incomes at or below 40% of CMI. Completion of Phase II, the first rental-home phase, will provide valuable insight on any necessary changes to Phase V. The net result is that all 26 homes will qualify under IHDA's Tax Credit Program, which is key to financing this Phase. No HOPE VI funds are used in this Phase.

Phase VI of CPP's Plan is the last single-family home rental phase and involves the building of 26 additional rental homes (25% of the total of 104 rental homes). The location of these homes will be consistent with final Master Site Planning. The homes will have designs and features consistent with for-sale homes.

CPP's unit breakdown for the 26 rental units in Phase VI is:

- (18) 2-bedrooms
- (4) 3-bedroom
- (4) 4-bedrooms

Like Phase V, CPP does not plan to use any HOPE VI funds in the development of the 26 rental homes in Phase VI. As such, Phase VI will not include any ACC homes, which have already been developed in prior Phases. All 26 homes in Phase VI will be targeted to households with annual incomes at or below 60% of CMI. It is CPP's belief that rent levels proposed by the previous Master Developer for the Champion Park HOPE VI Revitalization were overly optimistic and far exceeded realistic market rents. It is CPP's belief that as visual improvements take place over time in the Washington Park neighborhood, the market will support higher rent levels. However, CPP asserts that 60% CMI rent levels are at the top end of achievable market rents and therefore should be considered as market rents. Some

lower income targeting is anticipated as well with 20% of the units being set aside for households with annual incomes at or below 40% of CMI. Completion of Phase V, the second home-rental Phase, will provide valuable insight on any necessary changes to Phase VI.

The net result is that all 26 homes will qualify under IHDA's Tax Credit Program, which is key to financing this Phase. No HOPE VI funds are used in this Phase.

Sustained neighborhood-wide revitalization must be achieved for the Champion Park HOPE VI Revitalization to be successful over the long-term. CPP is committed to this effort. CPP believes the long-term success and viability of Champion Park HOPE VI Revitalization must address three neighborhood-wide areas of concern. These concerns are: (i) an almost complete lack of retail services, (ii) the abundant crime problems associated with Concord Commons, and (iii) the need for sustained growth of the neighborhood (both families and seniors). To this end, CPP's Plan adds three new non-HOPE VI phases to the planned revitalization which were not previously addressed by the prior Developer. They are as follows:

Phase III is considered as a non-HOPE VI phase without the use of HOPE VI funds involving bringing desperately needed retail services to the neighborhood. If residents have to run across town to pick up incidentals such as milk or a prescription, the desirability of the neighborhood suffers. CPP has contacted and met with a local developer of Walgreen's. A Walgreen's, or similar retailer, developed in the Washington Park / West State Street area would greatly benefit the overall Champion Park HOPE VI Revitalization. CPP is confident that through working in cooperation with Winnebago County, the City of Rockford and the WCHA, a Walgreen's type store could be developed off West State Street. CPP will not charge a fee for this effort, but understands the importance for the neighborhood revitalization. Therefore, CPP will commit to taking steps to make this a reality.

Phase VII is considered as a non-HOPE VI phase without the use of HOPE VI funds involving addressing the crime-ridden Concord Commons and simultaneously bringing affordable housing to seniors in the neighborhood. While there are many challenges involved, CPP's Plan involves working with the Rockford Housing Authority, City of Rockford and HUD to acquire and demolish Concord Commons. The current residents would be relocated through plans to be negotiated with HUD to other community affordable housing projects and throughout the Washington Park neighborhood. Following the demolition of Concord Commons, a senior affordable housing project (Washington Park Senior Apartments) containing approximately 90 units and including underground parking (for convenience and safety) along with other amenities is proposed to be constructed. There are many challenges, but we have recently built such a senior complex with these amenities and know that it is more than a possibility. Frankly, the efforts of the WCHA in obtaining the HOPE VI Grant are a testament to the fact that substantial challenges can be overcome. It is not anticipated that any HOPE VI funds will be used for this transaction and that Phase VII will be attempted using our knowledge, skills, creativity, efforts and our working relationship with HUD. CPP has had positive preliminary discussions with the Rockford Housing Authority. Living in the community, we realize that addressing the Concord Commons situation is a cornerstone to the success of revitalizing the neighborhood. We further understand that HUD, by approving the Revitalization Plan, has made no commitment to be part of this Phase, but rather acknowledged that this is one of the goals of this Revitalization Plan and that the details may or may not be resolved with respect to this Phase.

Phase VIII is considered as a non-HOPE VI phase without the use of HOPE VI funds involving the continuation of the original Washington Park revitalization plans as reflected in earlier Hope VI applications by the WCHA, which were not funded. Specifically, we are hopeful that more Market rate

For-Sale homes can and will be developed throughout the Washington Park neighborhood once infrastructure improvements are made and a market is created. CPP's Phase VIII involves building an additional 24 Market rate For Sale homes. While Phases III, VII and VIII are conceptual and subject to change based on future market realities, CPP is confident that the successful revitalization of the Washington Park neighborhood needs to be led by a local Master Developer committed to the area. As a large affordable housing developer with its headquarters in Rockford, CPP is committed to the Rockford area and willing to make a commitment to the revitalization effort started by the WCHA. To reiterate, Phases III, VII and VIII do not involve any HOPE VI funds and are subject to numerous contingencies. Developer plans to use reasonable efforts to accomplish these phases, consistent with the Revitalization Plan.

Summary

In conclusion, CPP believes it has crafted a well thought out development plan, which achieves and actually exceeds the overall goals and objectives (including unit count) as set forth in the HOPE VI Grant Agreement. The plan incorporates key aspects of the Master Site Planning and Building Designs completed to date and supported by WCHA and community partners and stakeholders, with refinements and modifications CPP has deemed appropriate. CPP is confident that the plan can be achieved and will provide the opportunity for success of the WCHA Revitalization.

DI. Attachments

All PHAs submitting this term sheet should include the following attachments:

11. Unit Mix Worksheet.

Purpose: *To provide HUD with information about the unit mix for the homeownership project.*

Instructions: *Complete the attached Excel spreadsheet Unit Mix to describe the proposed unit mix.*

Please see Unit Mix Worksheet in Attachment 1.

12. Construction and Permanent F budgets.

Purpose: *To provide HUD with an understanding of the sources and uses of the homeownership project under review. For new construction and substantial rehabilitation projects, HUD will evaluate whether the sources listed are sufficient to build the project, the use of PHA Capital funds for construction and/or permanent use, the ratio of public housing funds to private funds for construction*

and permanent use, whether costs are within Homeownership Cost Control and Safe Harbor Standards for Homeownership Mixed-Finance Development, and whether the uses appear reasonable.

Instructions: *For new construction and substantial rehabilitation projects, complete the Excel spreadsheets Construction and Permanent Sources and Uses. The construction cost estimate should be based on schematic drawings and outline specifications and current construction costs prevailing in the area.*

Please see Construction and Permanent F-1's in Attachment 2.

13. Sales Financing Schedule Worksheet and PHA Mortgage Analysis (if applicable).

Purpose: *If a PHA is proposing to provide direct financing to purchasers through subordinate mortgages, HUD will evaluate: (1) the amount of direct financing; (2) the terms of recapture of the direct financing; and (3) the proportion of direct financing as compared to the appraised value of the housing.*

Instructions: *For projects including direct financing to purchasers and/or construction write-downs, PHAs should complete the attached Excel spreadsheets Sales Financing Schedule and PHA Mortgage Analysis.*

Please see Sales Financing Schedule in Attachment 3 and PHA Mortgage Analysis in Attachment 4.

14. Schedule of Monthly Flow of Funds.

Please see schedule of monthly Flow of Funds in Attachment 5.

15. TDC Worksheets for Construction financing and Permanent financing.

Purpose: *To determine whether the proposed activities for the project under review are within HUD's Total Development Cost Limits. For information on TDC, see Notice PIH 2003-8.*

Instructions: *Complete the Excel spreadsheet **TDC & Instructions** to calculate the TDC for the specific project under review. This sheet is required for all homeownership projects regardless of activity proposed.*

Please see Construction and Permanent TDC Worksheets in Attachment 6.

16. Market Study.

Purpose: *PHAs proposing to construct, rehabilitate, or acquire non-public housing units must include a Market Study as an attachment to this term sheet.*

Instructions: *PHAs proposing these activities should describe the type and nature of the outreach the PHA (or its partner) will conduct to make an informed estimate of the pool of potential purchasers.*

Please see Market Study in Attachment 15.

17. Site plan

Purpose: *To inform HUD of the planned site and layout of the units and common areas.*

Instructions *Please provide the Site Plan on 8.5 x 11" paper.*

Please see Site Plan in Attachment 8.

18. Certification of URA compliance or Relocation Requirements under Section 18

Please see Certification of URA Compliance in Attachment 19.

19. Additional Information.

The PHA should submit any additional information requested by HUD to more fully describe any

aspect of the homeownership proposal, including schematic drawings and designs of the proposed building and unit plans.

Please see Plans and Drawings included in Attachment 12.

E. Documents

In addition to the term sheet and attachments described above, the following documents must also be submitted to HUD prior to closing in order to obtain full approval of the PHA's homeownership proposal.

Documents Required by HUD at Construction or Financial Closing

4. *Housing Authority Certifications and Assurances for Projects Involving Homeownership Units .*
5. *HOPE VI Grant Addendum and Exhibits, or Homeownership ACC Amendment and Exhibits (both in standard form), or Program Income Certification (subordinate mortgage only).*
6. *Updated Homeownership Term Sheet.*

Documents Required by HUD Prior to Release of Funds

1. Housing Authority Pre-Funding Certifications.
2. Declaration of Restrictive Covenants (recorded first and in standard form). *Not needed for subordinate mortgage only.*
3. Executed HOPE VI Grant Addendum and Exhibits, or Homeownership ACC Amendment and Exhibits, or Program Income Certification (subordinate mortgage only).
7. Updated Homeownership Term Sheet (if amended since last submission).
8. Legal Opinion (in standard form).

Note:

At any point, HUD may request to review the executed legal documents associated with a phase closing.

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

- ☐ Yes ☒ No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- ☐ Client referrals
- ☐ Information sharing regarding mutual clients (for rent determinations and otherwise)
- ☐ Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- ☐ Jointly administer programs
- ☐ Partner to administer a HUD Welfare-to-Work voucher program
- ☐ Joint administration of other demonstration program
- ☐ Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- ☒ Public housing rent determination policies
- ☒ Public housing admissions policies
- ☒ Section 8 admissions policies
- ☐ Preference in admission to section 8 for certain public housing families
- ☐ Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- ☒ Preference/eligibility for public housing homeownership option participation
- ☒ Preference/eligibility for section 8 homeownership option participation
- ☐ Other policies (list below)

b. Economic and Social self-sufficiency programs

- ☒ Yes ☐ No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If "yes", complete the following table; if "no" skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
HCV FSS Program	25	Waiting list	PHA Main Office/Subcontractor	HCV Participants
Public Housing Neighborhood Networks	100+	Available to all	PHA Sites	Public Housing Participants
HOPE VI Neighborhood Networks	100+	Available to all	PHA Main Office	Public Housing, Section 8 participants, community
GED Instruction/Certification	40	Sign up/Open Enrollment	PHA Main Office	Public Housing, Section 8 participants, community
CNA Instruction/Certification	15	Sign up/Open Enrollment	PHA Main Office	Public Housing, Section 8 participants, community
Community Nursing	All residents	Available to all	PHA Sites/	Public Housing Residents
Nutrition Program/Home delivered meals	All residents	Seniors 62+	PHA Sites/Lifescape Community Services	Public Housing Residents
Case Management	All Residents	Available to all	PHA Sites/PHA Main Office	Public Housing/HCV Residents

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2005 Estimate)	Actual Number of Participants (As of: 04/01/2008)
Public Housing		
Section 8	25	25

- b. ☐ Yes ☐ No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?

If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

- ☒ Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
- ☒ Informing residents of new policy on admission and reexamination
- ☐ Actively notifying residents of new policy at times in addition to admission and reexamination.
- ☐ Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- ☐ Establishing a protocol for exchange of information with all appropriate TANF agencies
- ☐ Other: (list below)

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- ☒ High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- ☒ High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- ☒ Residents fearful for their safety and/or the safety of their children
- ☒ Observed lower-level crime, vandalism and/or graffiti

- ☐ People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- ☐ Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- ☒ Safety and security survey of residents
- ☒ Analysis of crime statistics over time for crimes committed "in and around" public housing authority
- ☒ Analysis of cost trends over time for repair of vandalism and removal of graffiti
- ☒ Resident reports
- ☒ PHA employee reports
- ☒ Police reports
- ☒ Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- ☐ Other (describe below)

4. Which developments are most affected? (list below)

Champion Park
Collier Gardens

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- ☒ Contracting with outside and/or resident organizations for the provision of crime-and/or drug-prevention activities
- ☒ Crime Prevention Through Environmental Design
- ☒ Activities targeted to at-risk youth, adults, or seniors
- ☒ Volunteer Resident Patrol/Block Watchers Program
- ☒ Other (describe below)
 - Neighborhood Watch.
 - Towing of illegally parked cars.
 - Corridor mirrors and cameras.
 - Security entrance systems.
 - Basement window grates.
 - Security card system.
 - K-9 Patrol.

2. Which developments are most affected? (list below)

Champion Park
Collier Gardens

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- ☐ Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- ☒ Police provide crime data to housing authority staff for analysis and action
- ☒ Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- ☐ Police regularly testify in and otherwise support eviction cases
- ☒ Police regularly meet with the PHA management and residents
- ☐ Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- ☐ Other activities (list below)

2. Which developments are most affected? (list below)

Champion Park
Collier Gardens

D. Additional information as required by PHDEP/PHDEP Plan

PHAs eligible for FY 2005 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- ☐ Yes ☐ No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- ☐ Yes ☐ No: Has the PHA included the PHDEP Plan for FY 2005 in this PHA Plan?
- ☐ Yes ☐ No: This PHDEP Plan is an Attachment. (Attachment Filename: ____)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

1. ☒ Yes ☐ No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)
2. ☒ Yes ☐ No: Was the most recent fiscal audit submitted to HUD?
3. ☒ Yes ☐ No: Were there any findings as the result of that audit?
4. ☐ Yes ☒ No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? _____
5. ☐ Yes ☐ No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. ☒ Yes ☐ No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
2. What types of asset management activities will the PHA undertake? (select all that apply)
☐ Not applicable
☐ Private management
☒ Development-based accounting
☐ Comprehensive stock assessment
☐ Other: (list below)
3. ☒ Yes ☐ No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

1. ☐ Yes ☒ No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?
2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
- ☐ Attached at Attachment (File name)
- ☐ Provided below:
3. In what manner did the PHA address those comments? (select all that apply)
- ☐ Considered comments, but determined that no changes to the PHA Plan were necessary.
- ☐ The PHA changed portions of the PHA Plan in response to comments
List changes below:
- ☐ Other: (list below)

B. Description of Election process for Residents on the PHA Board

1. ☐ Yes ☒ No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2. ☐ Yes ☒ No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- ☐ Candidates were nominated by resident and assisted family organizations
- ☐ Candidates could be nominated by any adult recipient of PHA assistance
- ☐ Self-nomination: Candidates registered with the PHA and requested a place on ballot
- ☐ Other: (describe)

b. Eligible candidates: (select one)

- ☐ Any recipient of PHA assistance
- ☐ Any head of household receiving PHA assistance
- ☐ Any adult recipient of PHA assistance
- ☐ Any adult member of a resident or assisted family organization
- ☐ Other (list)

c. Eligible voters: (select all that apply)

- ☐ All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- ☐ Representatives of all PHA resident and assisted family organizations
- ☐ Other (list)

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: State of Illinois, City of Rockford
2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- ☒ The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
- ☐ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- ☐ The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- ☒ Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)

Economic Development

Health programs

Housing programs

Income Management programs

Nutrition programs

Self-Sufficiency programs

Resource leveraging

Project benefit

Public infrastructure

Housing counseling programs

Low Income Housing Tax Credit program

Community outreach partnerships

Family unification program

Family self-sufficiency program

HOPE VI program

Energy efficiency programs

Rental housing support program

Chicago Federal Home Loan Bank Affordable Housing Program

☐ Other: (list below)

3. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

Economic Development

Health programs

Housing programs

Income Management programs

Nutrition programs

Self-Sufficiency programs (Employee Live Near Work)

Resource leveraging (Community Development Assistance Program)

Project benefit

Public infrastructure

Housing counseling programs

Low Income Housing Tax Credit program

Community outreach partnerships (Rockford Park District)

Family unification program (Illinois Department of Children and Family Services)

Family self-sufficiency program (Rockford Housing Authority)

Energy efficiency programs

Rental housing support program (Illinois Housing Development Authority)

Chicago Federal Home Loan Bank Affordable Housing Program

Tax Increment Finance District (City of Rockford)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

A. The housing authority operates in compliance with the Carbon Monoxide Alarm Detector Act for both the public housing and the Section 8 program. The Carbon Monoxide Alarm Act requires that every dwelling unit be equipped with at least one approved carbon monoxide alarm in an operating condition within 15 feet of every room used for sleeping purposes. Provides that the carbon monoxide alarm may be combined with smoke detecting devices provided that the combined unit complies with the respective provisions of the administrative code, reference standards, and departmental rules relating to both smoke detecting devices and carbon monoxide alarms and provided that the combined unit emits an alarm in a manner that clearly differentiates the hazard. Provides that it is the responsibility of the owner of a structure to supply and install all required alarms. Provides that it is the responsibility of a tenant to test and to provide general maintenance for the alarms within the tenant's dwelling unit or rooming unit, and to notify the owner or the authorized agent of the owner in writing of any deficiencies that the tenant cannot correct. Provides that the willful failure to install or maintain in

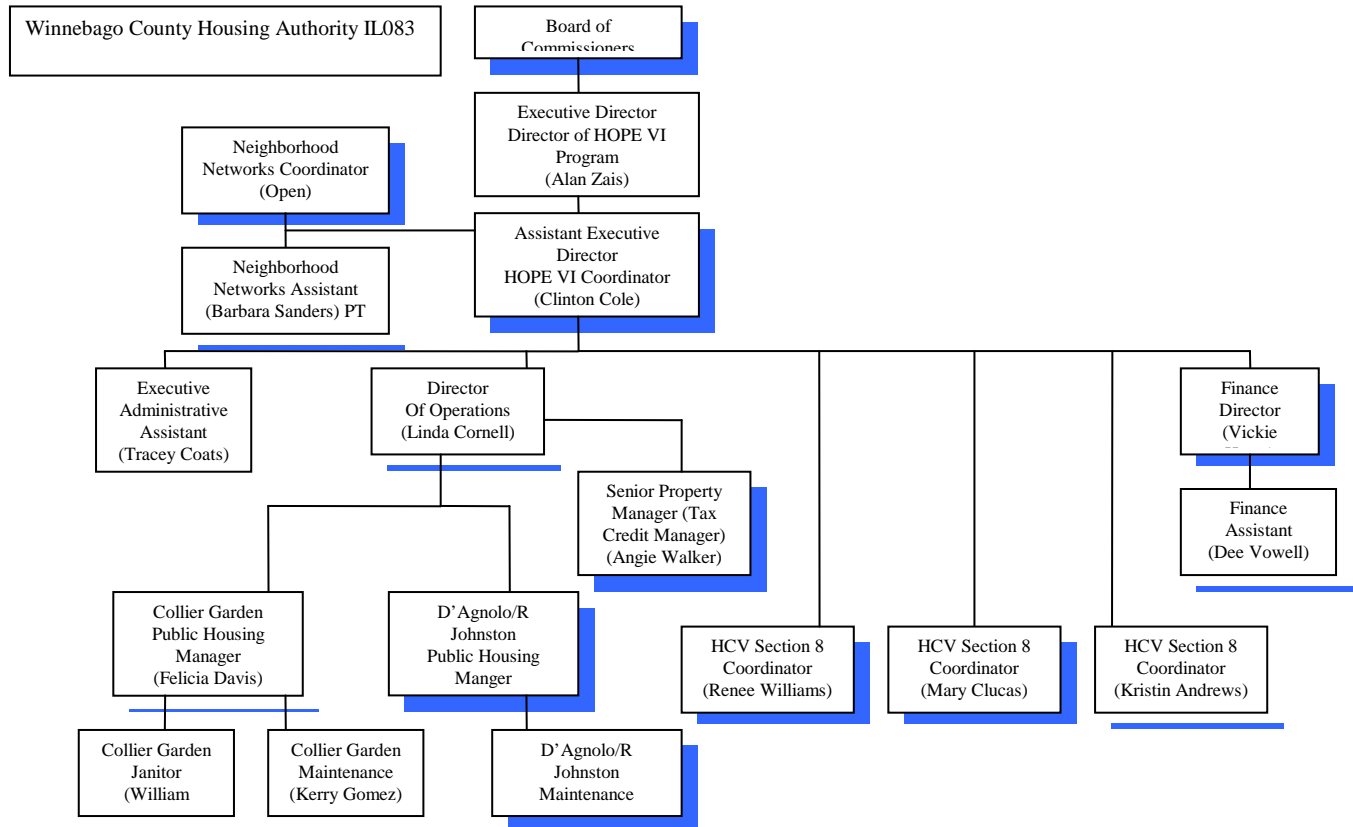
operating condition any carbon monoxide alarm required by the Act is a Class B misdemeanor. Provides that tampering with, removing, destroying, disconnecting, or removing the batteries from any installed carbon monoxide alarm, except in the course of inspection, maintenance, or replacement of the alarm, is a Class A misdemeanor in the case of a first conviction, and a Class 4 felony in the case of a second or subsequent conviction. Provides for exemptions.

B. The housing authority operates in compliance with the Violence Against Women and Department of Justice Reauthorization Act of 2005, Public Law 109-162, and the Violence Against Women and Department of Justice Authorization Act of 2005 Technical Amendments, Public Law 109-271 for both the public housing and the Section 8 program. Families in need of assistance are referred to Working Against Violent Environments (WAVE), 516 Green Street, Rockford, Illinois, 61101, 24-hour Assistance (815) 962-6102, <http://phasewave.com>. Additional information on VAWA is provided to the family with the National Domestic Violence Hotline, 1-800-799-SAFE, 1-800-787-3224 (TTY), <http://www.ndvh.org/>, and the HUD Housing Discrimination Hotline, 1-800-669-9777. Families are provided with a brochure, "Violence Against Women in Federally Funded Rental Assisted Housing, Learn About Your Rights as a Victim of Domestic Violence", with the brochure designed to meet the requirements of HUD Notice PIH 2006-23.

C. Resident Member of the Board of Commissioners: Phyllis Speiss.

Attachments

Organization Chart



Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the PHA's policies on the keeping of pets and any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the PHA.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals and pets and contains policies related to the designation of an assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303]

10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal may be denied, and also establishes standards for the care of assistance animals.

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as “service animals,” “assistive animals,” “support animals,” or “therapy animals” – perform many disability-related functions, including but not limited to the following:

- Guiding individuals who are blind or have low vision
- Alerting individuals who are deaf or hearing impaired
- Providing minimal protection or rescue assistance
- Pulling a wheelchair
- Fetching items
- Alerting persons to impending seizures
- Providing emotional support to persons with disabilities who have a disability-related need for such support

Assistance animals that are needed as a reasonable accommodation for persons with disabilities are not considered pets, and thus, are not subject to the PHA’s pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705].

10-I.B. APPROVAL OF ASSISTANCE ANIMALS

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A PHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

PHAs have the authority to regulate assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

PHA Policy

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and the PHA approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a PHA may have to regulate assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

PHA Policy

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the PHA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the PHA determines that no such accommodation can be made, the PHA may withdraw the approval of a particular assistance animal.

PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

PHAs may require registration of the pet with the PHA [24 CFR 960.707(b)(5)].

PHA Policy

Pets must be registered with the PHA before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Refusal to Register Pets

PHA Policy

The PHA will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The PHA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the PHA refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the PHA's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the PHA's grievance procedures.

Pet Agreement

PHA Policy

Residents who have been approved to have a pet must enter into a pet agreement with the PHA, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the PHA's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the PHA's pet policy and applicable house rules may result in the withdrawal of PHA approval of the pet or termination of tenancy.

10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the PHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

PHA's may not require pet owners to have any pet's vocal cords removed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

PHA Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

Reptiles

Rodents

Insects

Arachnids

Wild animals or feral animals

Pot-bellied pigs

Animals used for commercial breeding

Pet Restrictions

PHA Policy

The following animals are not permitted:

Any animal whose adult weight will exceed 25 pounds

Dogs of the pit bull, rottweiler, chow, or boxer breeds

Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations

Any animal not permitted under state or local law or code

Number of Pets

PHA Policy

Residents may own a maximum of 2 pets, only 1 of which may be a dog.

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 10 gallons. Such a tank or aquarium will be counted as 1 pet.

Other Requirements

PHA Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age.

Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

10-II.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with PHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

PHA Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The PHA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The PHA may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

PHA Policy

With the exception of common areas as described in the previous policy, the PHA has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the PHA has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

Cleanliness

PHA Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the PHA.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

PHA Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

PHA Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

PHA Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage PHA property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

PHA Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the PHA and sign a statement that they agree to abide by all of the pet rules.

Pets Temporarily on the Premises

PHA Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the PHA.

Pet Rule Violations

PHA Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

PHA Policy

If the pet owner and the PHA are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the PHA, the PHA may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the PHA's determination of the pet rule that has been violated

The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

PHA Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the PHA after reasonable efforts cannot contact the responsible party, the PHA may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

PHA Policy

The PHA may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

PHA Policy

The PHA will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the PHA to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

10-III.A. OVERVIEW

This part describes the PHA's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-III.B. PET DEPOSITS

Payment of Deposit

The PHA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a PHA on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the PHA may require. The PHA may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

PHA Policy

Pet owners are required to pay a pet deposit in addition to any other required deposits. The amount of the deposit is the higher of the family's total tenant payment or \$100.00, and must be paid in full before the pet is brought on the premises.

Refund of Deposit [24 CFR 5.318(d)(1)]

The PHA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The PHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

PHA Policy

The PHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-III.C. OTHER CHARGES

Pet-Related Damages During Occupancy

PHA Policy

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

PHA Policy

A separate pet waste removal charge of \$10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS

10-IV.A. OVERVIEW

This part describes the PHA's policies for pet deposits and fees for those who reside in general occupancy developments.

10-IV.B. PET DEPOSITS

A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

PHA Policy

Pet owners are required to pay a pet deposit of \$200 in addition to any other required deposits. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

PHA Policy

The PHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

PHA Policy

The PHA requires pet owners to pay a non-refundable nominal pet fee.

This fee is intended to cover the reasonable operating costs to the project relating to the presence of pets. Reasonable operating costs to the project relating to the presence of pets include, but are not limited to:

- Landscaping costs

- Pest control costs

- Insurance costs

- Clean-up costs

The pet fee of \$10.00 will be billed on a monthly basis, and payment will be due 14 calendar days after billing.

Charges for the non-refundable pet fee are not part of rent payable by the resident.

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

PHA Policy

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

PHA Policy

A separate pet waste removal charge of \$10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 14 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

PHA Plan Table Library

Component 7 Capital Fund Program Annual Statement Parts I, II, and II

Annual Statement Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number IL06P08350106 FFY of Grant Approval: 09/2005

☐ Original Annual Statement

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	207,082
11	1465.1 Dwelling Equipment-Nonexpendable	14,640
12	1470 Nondwelling Structures	188,535
13	1475 Nondwelling Equipment	
14	1485 Demolition	
15	1490 Replacement Reserve	
16	1492 Moving to Work Demonstration	
17	1495.1 Relocation Costs	
18	1498 Mod Used for Development	
19	1502 Contingency	16,221
20	Amount of Annual Grant (Sum of lines 2-19)	489,478
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	

23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

Annual Statement

Capital Fund Program (CFP) Part II: Supporting Table

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost
IL083-04, Washington Park	PHA Admin/Community Services Building	1470	188,535
IL083-02, Collier Gardens	Water Softener	1465	7,320
IL083-02, Collier Gardens	Hot Water Holding Tanks	1460	52,608
IL083-02, Collier Gardens	Roof	1460	217,474
IL083-07, Johnston Gardens	Water Softener	1465	7,320
IL083-02, Collier Gardens	Contingency	1502	16,211

Annual Statement

Capital Fund Program (CFP) Part III: Implementation Schedule

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)
IL083-01, Champion Park	09/30/2008	09/30/2010
IL083-02, Collier Gardens	09/30/2008	09/30/2010
IL083-07, Johnston Gardens	09/30/2008	09/30/2010
IL083-08, D'Agnolo Gardens	09/30/2008	09/30/2010
PHA Wide	09/30/2008	09/30/2010

Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

Optional 5-Year Action Plan Tables			
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development
Description of Needed Physical Improvements or Management Improvements			Estimated Cost
Total estimated cost over next 5 years			

Optional Public Housing Asset Management Table

See Technical Guidance for instructions on the use of this table, including information to be provided.

Public Housing Asset Management								
Development Identification		Activity Description						
Name, Number, and Location	Number and Type of units	Capital Fund Program Parts II and III <i>Component 7a</i>	Development Activities <i>Component 7b</i>	Demolition / disposition <i>Component 8</i>	Designated housing <i>Component 9</i>	Conversion <i>Component 10</i>	Home-ownership <i>Component 11a</i>	Other (describe) <i>Component 17</i>
Collier Gardens, IL083-02, Rockford, Illinois	150, Senior and Disabled apartments	277,402, obligated date 09/30/2008, expenditure date 09/30/2010	None	None	None	None	None	
Washington Park, IL083-04, Rockford, Illinois	52 single detached homes	188,535, obligated date 09/30/2008, expenditure date 09/30/2010	Final HOPE VI funds to be expended by 08/08. Home development is complete	Disposition of Champion Park, IL083-01, Rockford, Illinois (original designation of HUD-approved Revitalization Plan) 08/08	None	None	None	
Johnston Gardens, IL083-07, South Beloit, Illinois	50 Senior and Disabled apartments	7,320, obligated date 09/30/2008, expenditure date 09/30/2010	None	None	None	None	None	

D'Agnolo Gardens, IL083-08, Rockton, Illinois	50 Senior and Disabled apartments	0, obligated date 09/30/2008, expenditure date 09/30/2010	None	None	None	None	None	
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